ROGERS CORP
Form 10-Q
August 02, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 193

For the quarterly period ended June 30, 2011

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.)
P.O. Box 188, One Technology Drive, Rogers, Connecticut (Address of principal executive offices)	06263-0188 (Zip Code)

Registrant's telephone number, including area code: (860) 774-9605

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 X 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 X

Non-accelerated filer ____(Do not check if a smaller reporting company) 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 X

The number of shares outstanding of the registrant's common stock as of July 22, 2011 was 16,063,672.

ROGERS CORPORATION
FORM 10-Q

June 30, 2011

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Exhibit 23.1	Consent of National Economic Research Associates, Inc.
Exhibit 23.2	Consent of Marsh U.S.A., Inc.
Exhibit 31(a)	Certification of President and CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 31(b)	Certification of Vice President, Finance and CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32	Certification of President and CEO and Vice President, Finance and CFO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 101.INS	XBRL Instance Document
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E x h i b i t
101.SCH
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Part I – Financial Information

Item 1. Financial Statements

ROGERS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(Dollars in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
Net sales	$ 143,685	$ 96,608	$ 279,744	$ 180,545
Cost of sales	95,495	59,273	189,442	112,951
Gross margin	48,190	37,335	90,302	67,594
Selling and administrative expenses	26,837	23,709	51,336	44,683
Research and development expenses	6,175	5,879	12,196	9,422
Operating income	15,178	7,747	26,770	13,489
Equity income in unconsolidated joint ventures	1,323	1,757	2,751	3,975
Other income, net	280	1,055	1,629	1,864
Realized investment loss, net:				
Increase (decrease) in fair value of investments	602	(232)	699	644
Less: Portion of gains (losses) in other comprehensive income	573	(112)	667	816
Net realized gain (loss)	29	(120)	32	(172)
Interest income (expense), net	(1,265)	(3)	(2,843)	103
Income before income taxes	15,545	10,436	28,339	19,259
Income tax expense	3,417	2,123	6,776	4,092
Net income	$ 12,128	$ 8,313	$ 21,563	$ 15,167
Net income per share:				
Basic	$ 0.76	$ 0.53	$ 1.35	$ 0.96
Diluted	0.73	0.52	1.30	0.95
Shares used in computing:				
Basic	15,944,483	15,785,656	15,918,979	15,777,176
Diluted	16,678,377	15,985,195	16,603,543	15,940,857

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ROGERS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Dollars in thousands, except share amounts)

	June 30, 2011	December 31, 2010
Assets		
Current assets		
Cash and cash equivalents	$71,647	$80,135
Short-term investments	3,704	186
Accounts receivable, less allowance for doubtful accounts of $1,220 and $1,630	89,242	61,995
Accounts receivable from joint ventures	2,254	1,338
Accounts receivable, other	3,159	3,773
Taxes receivable	247	1,706
Inventories	71,517	47,574
Prepaid income taxes	3,580	1,938
Deferred income taxes	1,485	1,492
Asbestos-related insurance receivables	8,563	8,563
Assets held for sale	2,548	5,841
Other current assets	10,158	7,042
Total current assets	268,104	221,583
Property, plant and equipment, net of accumulated depreciation of $227,818 and $182,435	155,080	120,087
Investments in unconsolidated joint ventures	25,664	25,452
Deferred income taxes	15,168	17,120
Goodwill and other intangibles	185,068	35,984
Asbestos-related insurance receivables	20,733	20,733
Long-term marketable securities	26,773	33,592
Investments, other	5,000	5,000
Other long-term assets	7,905	5,323
Total assets	$709,495	$484,874
Liabilities and Shareholders’ Equity		
Current liabilities		
Accounts payable	22,423	$16,296
Accrued employee benefits and compensation	26,009	26,692
Accrued income taxes payable	4,371	1,528
Current portion of lease obligation	1,786	-
Asbestos-related liabilities	8,563	8,563
Other current liabilities	13,625	12,362
Total current liabilities	76,777	65,441
Long term debt	135,000	-
Long term lease obligation	9,046	-
Pension liability	31,980	31,980

Retiree health care and life insurance benefits	8,144	8,144
Asbestos-related liabilities	21,159	21,159
Non-current income tax	18,610	15,339
Deferred income taxes	24,857	8,745
Other long-term liabilities	597	3,534
Shareholders’ Equity		
Capital Stock - $1 par value; 50,000,000 authorized shares; 16,044,317 and 15,841,341 shares outstanding	16,044	15,841
Additional paid-in capital	42,458	33,194
Retained earnings	316,607	295,044
Accumulated other comprehensive income (loss)	8,216	(13,547)
Total shareholders' equity	383,325	330,532
Total liabilities and shareholders' equity	$709,495	$484,874

The accompanying notes are an integral part of the condensed consolidated financial statements.

ROGERS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Dollars in thousands)

	Six Months Ended	
	June 30, 2011	June 30, 2010
Operating Activities:		
Net income	$21,563	$15,167
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	13,190	7,868
Stock-based compensation expense	3,610	4,355
Deferred income taxes	2,148	782
Equity in undistributed income of unconsolidated joint ventures, net	(2,751)	(3,975)
Dividends received from unconsolidated joint ventures	2,762	7,184
Pension and postretirement benefits	2,970	3,121
Gain from the sale of property, plant and equipment	(1,900)	-
Amortization of inventory fair value	1,805	-
Changes in operating assets and liabilities excluding effects of acquisition and disposition of businesses:		
Accounts receivable	(12,059)	(13,356)
Accounts receivable, joint ventures	(917)	(741)
Inventories	(12,165)	(8,888)
Pension contribution	-	(1,478)
Other current assets	(3,207)	(1,606)
Accounts payable and other accrued expenses	(22,177)	6,918
Other, net	767	(232)
Net cash provided by (used in) operating activities	(6,361)	15,119
Investing Activities:		
Capital expenditures	(8,006)	(3,118)
Acquisition of business, net of cash received	(139,825)	(25,908)
Proceeds from short-term investments	4,000	3,250
Proceeds from the sale of property, plant and equipment, net	5,900	-
Return of investment in unconsolidated joint ventures	-	919
Net cash used in investing activities	(137,931)	(24,857)
Financing Activities:		
Proceeds from long term borrowings	145,000	-
Repayment of debt principal	(10,000)	-
Payment of long term borrowings acquired through acquisition	(7,452)	-
Proceeds from sale of capital stock, net	5,464	115
Proceeds from issuance of shares to employee stock purchase plan	396	380
Net cash provided by financing activities	133,408	495
Effect of exchange rate fluctuations on cash	2,396	(3,777)
Net decrease in cash and cash equivalents	(8,488)	(13,020)

Cash and cash equivalents at beginning of year	80,135	57,738
Cash and cash equivalents at end of quarter	$71,647	$44,718
Supplemental disclosure of noncash investing and financing activities		
Deferred purchase price for acquisition of business	$-	$2,910
Capital lease obligation acquired through acquisition	10,831	-

The accompanying notes are an integral part of the condensed consolidated financial statements.

ROGERS CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 - Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information. Accordingly, these statements do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In our opinion, the accompanying statements of financial position and related interim statements of operations and cash flows include all normal recurring adjustments necessary for their fair presentation in accordance with U.S. generally accepted accounting principles. All significant intercompany transactions have been eliminated.

We changed the presentation of our external segment reporting structure as of the first quarter of 2011. All prior periods have been recast accordingly for the new presentation. See Note 10 for further discussion regarding the new structure.

Interim results are not necessarily indicative of results for a full year. For further information regarding our accounting policies, refer to the audited consolidated financial statements and footnotes thereto included in our Form 10-K for the fiscal year ended December 31, 2010.

Note 2 –Fair Value Measurements

The accounting guidance for fair value measurements establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value.

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Assets measured at fair value on a recurring basis during the period, categorized by the level of inputs used in the valuation, include:

(Dollars in thousands)	Carrying amount as of June 30, 2011	Level 1	Level 2	Level 3
Auction rate securities	$ 30,477	$ -	$ -	$ 30,477
Foreign currency option contracts	$ 1,729	$ -	$ 1,729	$ -

Current accounting guidance requires that an other-than-temporary impairment must be recognized in earnings for a security in an unrealized loss position when an entity either (a) has the intent to sell the security or (b) more likely than not will be required to sell the security before its anticipated recovery. Prior to the adoption of this guidance, we were required to record an other-than-temporary impairment for a security in an unrealized loss position unless we could assert that we had both the intent and ability to hold the security for a period of time sufficient to allow for a recovery of its cost basis.

When an other-than-temporary impairment of a security has occurred, the amount of the other-than-temporary impairment recognized in earnings depends on whether we intend to sell the security or more likely than not will be required to sell the security before recovery of its cost basis. If we do not intend to sell the security and it is not more likely than not that we will be required to sell the security before the recovery of its cost basis, the other-than-temporary loss should be separated into the amount representing the credit loss and the amount related to all other factors. The amount representing the credit loss is recognized in earnings, and as long as the factors above are not met, the remaining amount is recorded in other comprehensive income.

Auction Rate Securities

We have historically classified our auction rate securities as available-for-sale and recorded them at fair value as determined in the active market at the time. However, due to events in the credit markets, the auctions failed during the first quarter of 2008 for the auction rate securities that we held at the end of the first quarter of 2008, and all of our auction rate securities have been in a loss position since that time. Accordingly, the securities changed from a Level 1 valuation to a Level 3 valuation.

Through the end of the second quarter of 2011, approximately $20.8 million of auction rate securities in total have been redeemed at par value, including approximately $4.0 million in the first six months of 2011. As of June 30, 2011, the par value of our remaining auction rate securities was approximately $33.6 million, which was comprised 96% of student loan-backed auction rate securities and 4% of municipality-backed auction rate securities. We performed a fair value assessment of these securities based on a discounted cash flow model, utilizing various assumptions that included estimated interest rates, probabilities of successful auctions, the timing of cash flows, and the quality and level of collateral of the securities. These inputs were chosen based on our current understanding of the expectations of the market and are consistent with the assumptions utilized during our assessment of these securities at year-end 2010. This analysis resulted in an insignificant change in the fair value of our auction rate securities in the second quarter of 2011 and a total impairment of approximately $3.1 million overall on our current portfolio.

We have concluded that the impairment on the auction rate securities is other-than-temporary and should be separated into two amounts, one amount representing a credit loss and one amount representing an impairment due to all other factors. The credit loss is primarily based on the underlying ratings of the securities. As described above, we have determined that the amount representing the credit loss on our auction rate securities should be recorded in earnings, while the remaining impairment amount should be recorded in other comprehensive income (loss) in the equity section of our condensed consolidated statements of financial position. We do not have the intent to sell the impaired securities, nor do we believe that it is more likely than not that we will be required to sell these securities before the recovery of their cost basis. In the second quarter of 2011, we contracted to redeem $4.0 million of auction rate securities at 92.6% of par value, which was one tranche of our auction rate securities. The cash received, subsequent to June 30, 2011, was approximately $3.7 million.

Additionally, due to our belief that it may take over twelve months for the auction rate securities market to recover, these securities are classified as long-term assets, except for those that are scheduled to be redeemed within the next twelve months, which are classified as short-term investments. As of the second quarter we had approximately $3.7 million of auction rate securities classified as short-term investments. These were subsequently redeemed on July 18, 2011. The securities that we hold have maturities ranging from 21 to 36 years.

The reconciliation of our assets measured at fair value on a recurring basis using unobservable inputs (Level 3) is as follows:

(Dollars in thousands)	Auction Rate Securities
Balance at December 31, 2010	$ 33,778
Redeemed at par	(4,000)
Reported in other comprehensive income	667
Reported in earnings	32
Balance at June 30, 2011	$ 30,477

A roll-forward of credit losses recognized in earnings from the date of the first other-than-temporary impairment, pertaining to the auction rate securities held by us, is as follows:

(Dollars in thousands)	Credit Losses
Balance at December 31, 2010	$ 917
Additional credit losses	39

Reduction in credit losses due to redemptions		(71)
Balance at June 30, 2011	$	885

These securities currently earn interest at rates ranging from 0.35% to 0.65%. Upon the failure of these securities at auction, a penalty interest rate is triggered. Since the securities we hold are investment-grade securities, the penalty rates are market-based, and therefore the aggregate interest rate that we earned has declined to 1% to 2% from a historical rate of 3% to 7% due to reductions in the referenced interest rates by the Federal government.

Foreign Currency Option Derivatives

As further explained below in Note 3 "Hedging Transactions and Derivative Financial Instruments", we are exposed to certain risks relating to our ongoing business operations, and the primary risk managed using derivative instruments is foreign currency exchange rate risk. The fair value of these foreign currency option derivatives is based upon valuation models applied to current market information such as strike price, spot rate, maturity date and volatility, and by reference to market values resulting from an over-the-counter market or obtaining market data for similar instruments with similar characteristics.

Note 3 – Hedging Transactions and Derivative Financial Instruments

The guidance for the accounting and disclosure of derivatives and hedging transactions requires companies to recognize all of their derivative instruments as either assets or liabilities in the statement of financial position at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship, and further on the type of hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, a company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, cash flow hedge, or a hedge of a net investment in a foreign operation.

We are exposed to certain risks relating to our ongoing business operations. The primary risk mitigated by using derivative instruments is foreign currency exchange rate risk. Option contracts on various foreign currencies are entered into to mitigate the foreign currency exchange rate risk on forecasted revenue denominated in foreign currencies.

We do not use derivative financial instruments for trading or speculation purposes.

We designate certain foreign currency option contracts as cash flow hedges of forecasted revenues.

For derivative instruments that are designated and qualify as a cash flow hedge (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income and reclassified into earnings in the same line item associated with the forecasted transaction and in the same period or periods during which the hedged transaction affects earnings. The remaining gain or loss on the derivative instrument in excess of the cumulative change in the present value of the future cash flows of the hedged item, if any, are recognized in the statement of operations during the current period. The ineffective portion of a derivative instrument's change in fair value is immediately recognized in income. We do not hold any derivative instruments as of the end of the second quarter of 2011 that are designated and qualified as cash flow hedges.

As of the end of the second quarter of 2011, we have entered into five hedge programs. These programs, which do not qualify as cash flow hedges, are intended to minimize foreign currency exposures on our condensed consolidated statements of financial position.

Notional Values of Derivative Instruments		
Euro	€	4,800
U.S. Dollar	$	10,000
Japanese Yen	¥	230,000

(Dollars in thousands)	The Effect of Current Derivative Instruments on the Financial Statements for the six-month period ended June 30, 2011		Fair Values of Derivative Instruments as of June 30, 2011
Foreign Exchange Option Contracts	Location of gain	Amount of gain	Other Assets

Contracts not designated as hedging instruments	Other income, net	$	623	$	1,729

Concentration of Credit Risk

By using derivative instruments, we are subject to credit and market risk. If a counterparty fails to fulfill its performance obligations under a derivative contract, our credit risk will equal the fair value of the derivative instrument. Generally, when the fair value of a derivative contract is positive, the counterparty owes the Company, thus creating a receivable risk for the Company. We minimize counterparty credit (or repayment) risk by entering into derivative transactions with major financial institutions with investment grade credit ratings.

Note 4 – Acquisition of Business

Curamik Electronics GmbH
On January 4, 2011, we acquired Curamik Electronics GmbH (Curamik), a manufacturer of power electronic substrate products headquartered in Eschenbach, Germany. The aggregate purchase price was $151.1 million, which reflects post closing adjustments.

Curamik, founded in 1983, is the worldwide leader for development and production of direct copper bonded ceramic substrate products which are used primarily in the design of intelligent power management devices, such as insulated gate bipolar transistor (IGBT) modules that enable a wide range of products including highly efficient industrial motor drives, wind and solar energy converters and hybrid electric vehicle drive systems. Most of Curamik's products are manufactured using state of the art automated processes in its facility located in Eschenbach, Germany.

The acquisition has been accounted for in accordance with applicable purchase accounting guidance. The following table represents the preliminary fair market value assigned to the acquired assets and liabilities in the transaction. As of the filing date of this Form 10-Q, we are still in the process of valuing the net assets of the business, including inventory, fixed assets and intangible assets.

(Dollars in thousands)	
Assets:	
Cash	$ 11,256
Accounts receivable	11,876
Other current assets	1,386
Inventory	12,259
Property, plant & equipment	32,312
Other non-current assets	1,808
Intangible assets	52,820
Goodwill	85,947
Total assets	209,664
Liabilities	
Accounts payable	6,042
Other current liabilities	20,284
Deferred tax liability	15,923
Other long-term liabilities	16,334
Total liabilities	58,583
Fair value of net assets acquired	$ 151,081

For the three and six months ended June 30, 2011, Curamik realized $34.6 million in sales and operating profits of $2.9 million and $67.5 million in sales and $3.2 million in operating profits, respectively. It is impracticable to disclose comparable prior period amounts on a consistent basis as reported in this Form 10-Q, as the business acquired in the transaction was not consolidated as a reporting unit for the prior periods.

Total costs incurred related to the acquisition were approximately $3.4 million, of which $1.3 million were incurred in the first quarter of 2011 and are included in “Selling and administrative expenses” on our condensed consolidated statement of operations.

SK Utis Co., Ltd.

On March 23, 2010, we entered into an acquisition agreement with SK Utis Co., Ltd. (Utis) and its parent, SK Chemical Co., Ltd. (SK Chemical), both Korean companies, to purchase the common stock of Utis and certain intellectual property owned by SK Chemical related to the Utis business, for an aggregate purchase price of $29.1 million. The agreement called for an initial payment of $26.0 million, which was made on March 31, 2010, when the transaction closed, which gave us a 90% interest in the outstanding stock of Utis and full ownership of the intellectual property. SK Chemical will retain a 10% interest in Utis for a two year period, at which point we will purchase the remaining 10% share for a fixed price of $3.1 million.

Utis, established in 2005, is a high-quality supplier of polyurethane foam material solutions for portable communications, entertainment, and industrial applications to leading Korean-based original equipment manufacturers (OEMs). We believe that this acquisition will expand our presence as a polyurethane foam material solutions provider in several key markets that we have targeted for continued growth, including mobile internet devices, high definition television, and other markets requiring high reliability, high performance materials. We also believe this acquisition will strengthen our relationships with some of the fastest growing makers of these products and extend our worldwide presence into the Korean marketplace. We have integrated this business into our High Performance Foams operating segment.

The acquisition has been accounted for in accordance with applicable purchase accounting guidance. The following table represents the fair market value assigned to the acquired assets and liabilities in the transaction.

(Dollars in thousands)	
Assets:	
Accounts receivable	$ 2,725
Inventory	1,890
Other current assets	685
Property, plant & equipment	1,978
Intangible assets	9,250
Goodwill	15,574
Total assets	32,102
Liabilities	
Accounts payable	1,328
Other current liabilities	492
Other long-term liabilities	1,517
Total liabilities	3,337
Fair value of net assets acquired	$ 28,765

Total costs incurred related to the acquisition were approximately $0.9 million in the first quarter of 2010 and are included in “Selling and administrative expenses” on the condensed consolidated statement of operations.

As of the date of the acquisition, we acquired 90% of the equity of Utis and SK Chemical retained a 10% interest. However, SK Chemical, as part of the acquisition agreement, effectively waived all future economic rights to the activities of the business (i.e. dividends, share of profits and losses). SK Chemical only has the right to the $3.1 million deferred purchase price that will be paid by us to acquire the remaining 10% of Utis in two years. Therefore, we have consolidated 100% of the activities of Utis in accordance with applicable accounting guidance. Operational results were included beginning in the second quarter of 2010. The deferred purchase price at the date of purchase was recorded at its present value (approximately $2.9 million). This is classified as a short-term liability on our condensed consolidated statement of financial position.

Note 5 - Inventories

Inventories were as follows:

(Dollars in thousands)	June 30, 2011	December 31 2010
Raw materials	$ 27,077	$ 14,979
Work-in-process	18,102	6,422
Finished goods	26,338	26,173
	$ 71,517	$ 47,574

Note 6 - Comprehensive Income (Loss) and Accumulated Other Comprehensive Income (Loss)
Comprehensive income for the periods ended June 30, 2011 and 2010 was as follows:

	Three Months Ended		Six Months Ended	
(Dollars in thousands)	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
Net income	$12,128	$8,313	$21,563	$15,167
Foreign currency translation adjustments	6,298	(6,747)	21,262	(11,333)
Unrealized gain on marketable securities, net of tax	420	9	501	969
Unrealized gain (loss) on derivative instruments	-	95	-	(256)
Comprehensive income	$18,846	$1,670	$43,326	$4,547

The components of accumulated other comprehensive income (loss) at June 30, 2011 and December 31, 2010 were as follows:

(Dollars in thousands)	June 30, 2011	December 31, 2010
Foreign currency translation adjustments	$33,769	$12,507
Funded status of pension plans and other postretirement benefits, net of tax	(24,996)	(24,996)
Unrealized loss on marketable securities, net of tax	(557)	(1,058)
Accumulated other comprehensive income (loss)	$8,216	$(13,547)

Note 7 - Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share, for the periods indicated:

(In thousands, except per share amounts)	Three Months Ended		Six Months Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
Numerator:				
Net income	$ 12,128	$ 8,313	$ 21,563	$ 15,167
Denominator:				
Denominator for basic earnings per share - Weighted-average shares	15,945	15,786	15,919	15,777
Effect of dilutive stock options	734	199	685	164
Denominator for diluted earnings per share - Adjusted weighted-average shares and assumed conversions	16,678	15,985	16,604	15,941
Basic net income per share:	$ 0.76	$ 0.53	$ 1.35	$ 0.96
Diluted net income per share:	0.73	0.52	1.30	0.95

Note 8 – Stock-Based Compensation

Equity Compensation Awards

Stock Options

We currently grant stock options under various equity compensation plans. While we may grant options to employees that become exercisable at different times or within different periods, we have generally granted options to employees that vest and become exercisable in one-third increments on the 2nd, 3rd and 4th anniversaries of the grant dates. The maximum contractual term for all options is generally ten years.

We use the Black-Scholes option-pricing model to calculate the grant-date fair value of an option. The fair value of options granted during the three and six month periods ended June 30, 2011 and 2010 were calculated using the following weighted-average assumptions:

	Three Months Ended		Six Months Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
Options granted	58,550	500	58,550	340,150
Weighted average exercise price	$47.89	$30.80	$47.89	$24.26
Weighted-average grant date fair value	22.30	14.23	22.30	11.40
Assumptions:				
Expected volatility	45.15 %	46.48 %	45.15 %	45.41 %
Expected term (in years)	6.00	5.50	6.00	5.86
Risk-free interest rate	2.64 %	2.95 %	2.64 %	3.12 %
Expected dividend yield	--	--	--	--

Expected volatility – In determining expected volatility, we have considered a number of factors, including historical volatility and implied volatility.

Expected term – We use historical employee exercise data to estimate the expected term assumption for the Black-Scholes valuation.

Risk-free interest rate – We use the yield on zero-coupon U.S. Treasury securities for a period commensurate with the expected term assumption as its risk-free interest rate.

Expected dividend yield – We do not issue dividends on our common stock; therefore, a dividend yield of 0% was used in the Black-Scholes model.

In most cases, we recognize expense using the straight-line attribution method for stock option grants. The amount of stock-based compensation recognized during a period is based on the value of the portion of the awards that are ultimately expected to vest. Forfeitures are required to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The term “forfeitures” is distinct from “cancellations” or “expirations” and represents only the unvested portion of the surrendered option. We currently expect, based on an analysis of our historical forfeitures, a forfeiture rate of approximately 3% and applied that rate to grants issued. This assumption will be reviewed periodically and the rate will be adjusted as necessary based on these reviews. Ultimately, the actual expense recognized over the vesting period will only be for those shares that vest.

During the three and six month periods ended June 30, 2011 we recognized approximately $0.8 million and $1.3 million of stock option compensation expense, respectively. During the three and six month periods ended June 30, 2010 we recognized approximately $0.7 million and $2.8 million of stock option compensation expense, respectively.

A summary of the activity under our stock option plans as of June 30, 2011 and changes during the three month period then ended, is presented below:

	Options Outstanding	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life in Years	Aggregate Intrinsic Value
Options outstanding at March 31, 2011	2,527,647	$36.79	5.6	$27,475,580
Options granted	58,550	47.89		
Options exercised	(71,783)	27.75		
Options cancelled	(2,700)	53.23		
Options outstanding at June 30, 2011	2,511,714	37.15	5.3	28,613,872
Options exercisable at June 30, 2011	1,758,940	41.63	4.0	13,820,779
Options vested or expected to vest at June 30, 2011*	2,489,131	37.25	5.2	28,170,080

* In addition to the vested options, we expect a portion of the unvested options to vest at some point in the future. Options expected to vest are calculated by applying an estimated forfeiture rate to the unvested options.

	Options Outstanding	Weighted-Average Exercise Price Per Share
Options outstanding at December 31, 2010	2,626,371	$ 36.63
Options granted	58,550	47.89
Options exercised	(167,191)	32.68
Options cancelled	(6,016)	38.80
Options outstanding at June 30, 2011	2,511,714	

During the six month period ended June 30, 2011, the total intrinsic value of options exercised (i.e., the difference between the market price at time of exercise and the price paid by the individual to exercise the options) was $2.2 million, and the total amount of cash received from the exercise of these options was $5.5 million.

Restricted Stock

In 2006, we began granting restricted stock to certain key executives. The restricted stock granted is either time-based or performance-based. The performance-based grants award shares of common stock of the Company at the end of a three-year measurement period. Awards associated with this program granted in 2008 cliff vested at the end of the three-year period and eligible participants were eligible to be awarded shares ranging from 0% to 200% of the original award amount, based on defined performance measures associated with earnings per share. The 2008 grant did not meet performance measures and there was no payout. The 2009, 2010 and 2011grants cliff vest at the end of the three-year period, except for those recipients who are retirement eligible, and therefore have awards that are subject to accelerated vesting. Eligible participants can be awarded shares ranging from 0% to 200% of the original award amount, based on defined performance measures associated with a combined measure using earnings per share, net sales and free cash flow. In the second quarter of 2011 we granted 20,630 performance-based restricted stock awards.

In the second quarter of 2011, we granted 42,270 time-based restricted stock awards. These awards cliff vest at the end of a three-year period.

We recognize compensation expense on these awards ratably over the vesting period, or on an accelerated basis, depending on the retirement eligibility of the recipient. The fair value of the award will be determined based on the market value of the underlying stock price at the grant date. The amount of compensation expense recognized over the vesting period will be based on our projections of the performance measure over the requisite service period and, ultimately, how that performance compares to the defined performance measure. If, at any point during the vesting period, we conclude that the ultimate result of this measure will change from that originally projected, we will adjust the compensation expense accordingly and recognize the difference ratably over the remaining vesting period.

	Restricted Share Awards
Non-vested awards outstanding at December 31, 2010	117,750
Awards granted	62,900
Awards issued	-
Awards expired	(70)
Non-vested awards outstanding at June 30, 2011	180,580

As of the first quarter of 2011, the restricted stock granted in 2008 has been forfeited, due to the performance target not being reached that was required for vesting of this grant.

For the three and six month periods ended June 30, 2011 we recognized compensation expense for restricted stock awards of $1.0 million and $1.3 million, respectively, and for the three and six month periods ended June 30, 2010 we recognized compensation expense of $0.3 million and $0.6 million, respectively.

Deferred Stock Units

We grant deferred stock units to non-management directors. These awards are fully vested on the date of grant and the related shares are generally issued on the 13th month anniversary of the grant date unless the individual elects to defer the receipt of these shares. Each deferred stock unit results in the issuance of one share of Rogers' stock. The grant of deferred stock units is typically done annually in the second quarter.

	Deferred Stock Units
Awards outstanding at December 31, 2010	30,250
Awards granted	16,650
Stock issued	(16,800)
Awards outstanding at June 30, 2011	30,100

For each of the three month periods ended June 30, 2011 and June 30 2010, we recognized compensation expense of $0.7 million related to deferred stock units. There was no expense associated with these grants in the first quarter of either year.

Employee Stock Purchase Plan

We have an employee stock purchase plan (ESPP) that allows eligible employees to purchase, through payroll deductions, shares of our common stock at 85% of the fair market value. The ESPP has two six month offering periods per year, the first beginning in January and ending in June and the second beginning in July and ending in December. The ESPP contains a look-back feature that allows the employee to acquire stock at a 15% discount from the underlying market price at the beginning or end of the respective period, whichever is lower. We recognize compensation expense on this plan ratably over the offering period based on the fair value of the anticipated number of shares that will be issued at the end of each respective period. Compensation expense is adjusted at the end of each offering period for the actual number of shares issued. Fair value is determined based on two factors: (i) the 15% discount amount on the underlying stock's market value on the first day of the respective plan period, and (ii) the fair value of the look-back feature determined by using the Black-Scholes model. We recognized approximately $0.1 million of compensation expense associated with the plan in the three month periods ended June 30, 2011 and June 30, 2010, respectively, and approximately $0.2 million of compensation expense associated with the six month periods ended June 30, 2011 and June 30, 2010, respectively.

Note 9 – Pension Benefit and Other Postretirement Benefit Plans

Components of Net Periodic Benefit Cost

The components of net periodic benefit cost for the periods indicated are:

(Dollars in thousands)	Pension Benefits				Retirement Health and Life Insurance Benefits			
	Three Months Ended		Six Months Ended		Three Months Ended		Six Months Ended	
Change in benefit obligation:	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
Service cost	$1,060	$897	$2,120	$1,794	$176	$169	$352	$338
Interest cost	2,116	2,099	4,232	4,198	97	101	194	202
Expected return on plan assets	(2,591)	(2,361)	(5,182)	(4,722)	--	--	--	--
Amortization of prior service cost	150	149	300	298	(157)	(156)	(314)	(312)
Amortization of net loss	553	461	1,106	922	81	89	162	178
Settlement charge	--	--	--	225	--	--	--	--
Net periodic benefit cost	$1,288	$1,245	$2,576	$2,715	$197	$203	$394	$406

Employer Contributions

We made no voluntary contributions to our qualified defined benefit pension plans and we made a de minimis benefit payment to our non-qualified defined benefit pension plan the first six months of 2011. For the first six months of 2010, we had no voluntary contributions to our qualified defined benefit pension plans and made $1.5 million in benefit payments to our non-qualified defined benefit pension plans.

Note 10 – Segment Information

In the first quarter of 2011, due to the acquisition of Curamik and management's current view of our business, we determined that it was appropriate to adjust our segment structure.

Our previous reporting structure was comprised of three business categories – Core Strategic, Development Stage, and Other. Our new structure eliminates the Development Stage category and expands the Core Strategic category, as shown in the below table:

Old Structure	New Structure
Core Strategic	Core Strategic
High Performance Foams	High Performance Foams
	Printed Circuit Materials

Printed Circuit Materials		
Power Distribution Systems	Power Electronic Solutions	
Development Stage		Curamik Electronic Solutions
Custom Electrical Components		Power Distribution Systems
Thermal Management Systems		Thermal Management Solutions
Other	Other	

In the new structure, we created a new segment called “Power Electronic Solutions”, which is comprised of three operating segments – Curamik Electronic Solutions, Power Distribution Systems, and Thermal Management Solutions. We now separately report the results of operations for all three of these segments. Also, we eliminated the Development Stage category, as the Thermal Management Systems business is now part of our Core Strategic segment of Power Electronic Solutions and the Custom Electrical Components segment will now be aggregated in “Other”. Management concluded that the development activities at the Custom Electrical Components segment were not gaining traction in the market and, therefore, suspended most of the development efforts associated with the segment. This new structure aligns our reporting with management’s current view of the business, particularly as we work to further penetrate our core target mega-trend markets.

The following table sets forth the information about our reportable segments for the periods indicated:

(Dollars in thousands)	Three Months Ended		Six Months Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
Core Strategic				
High Performance Foams				
Net sales	$ 44,021	$ 38,915	$ 83,156	$ 70,697
Operating income	6,658	5,529	11,293	7,751
Printed Circuit Materials				
Net sales	$ 43,375	$ 33,582	$ 86,228	$ 68,154
Operating income	4,405	2,128	9,234	6,599
Power Electronic Solutions				
Curamik Electronic Solutions				
Net sales	$ 34,613	-	$ 67,510	-
Operating income	2,855	-	3,157	-
Power Distribution Systems				
Net sales	$ 13,978	$ 10,143	$ 26,413	$ 19,277
Operating income	1,644	143	3,909	159
Thermal Management Solutions				
Net sales	$ 184	$ 194	$ 315	$ 384
Operating loss	(1,328)	(961)	(2,967)	(1,661)
Other				
Net sales	$ 7,514	$ 13,774	$ 16,122	$ 22,033
Operating income	944	908	2,144	641

Inter-segment sales have been eliminated from the sales data in the previous table

Note 11 – Joint Ventures

As of June 30, 2011, we had two joint ventures, each 50% owned, which are accounted for under the equity method of accounting.

Joint Venture	Location	Reportable Segment	Fiscal Year-End
Rogers INOAC Corporation (RIC)	Japan	High Performance Foams	October 31
Rogers INOAC Suzhou Corporation (RIS)	China	High Performance Foams	December 31

Equity income of $1.3 million and $2.8 million for the three and six month period ended June 30, 2011 and equity income of $1.8 million and $4.0 million for the three and six month period ended June 30, 2010, respectively, is included in the condensed consolidated statements of operations.

On March 31, 2010, Rogers and Mitsui Chemicals, Inc., the 50% owners of the Polyimide Laminate Systems, LLC (PLS) joint venture, entered into an agreement to dissolve the joint venture and to have Rogers assume on that date any outstanding assets and liabilities of PLS, which resulted in a $0.1 million charge recorded as of March 31, 2010. The parties also agreed that, going forward, all the distribution activity that PLS had previously engaged in would be conducted through Rogers. Therefore, beginning in the second quarter of 2010, these activities are reported on a gross basis as part of our consolidated results. PLS also became an operating segment and is reported in the Other reportable segment.

In October 2010, we sold our ownership interest in the 50/50 joint venture, Rogers Chang Chun Technology Co., Ltd. (RCCT) to our joint venture partner, Chang Chun Plastics Co., Ltd., for $9.3 million, which resulted in a $3.2 million gain recorded during 2010.

Commission income from our PLS joint venture was $0.6 million for the six month period ended June 30, 2010 and is included in "Other income (expense), net" on the condensed consolidated statements of operations.

The summarized financial information for the joint ventures for the periods indicated is as follows:

(Dollars in thousands)	Three Months Ended		Six Months Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
Net sales	$ 16,783	$ 22,921	$ 34,863	$ 53,416
Gross profit	3,211	3,686	7,535	10,317
Net income	2,646	3,514	5,502	7,950

The effect of transactions between us and our unconsolidated joint ventures was accounted for on a consolidated basis. Receivables from and payables to joint ventures arise during the normal course of business from transactions between us and the joint ventures, typically from the joint venture purchasing raw materials from us to produce end products, which are sold to third parties, or from us purchasing finished goods from our joint ventures, which are then sold to third parties.

Note 12 - Debt

On November 23, 2010, we terminated our existing $50 million Multicurrency Revolving Credit Agreement with RBS Citizens (Citizens Credit Facility), National Association, a successor in interest to Citizens Bank of Connecticut, and concurrently entered into a $165 million, secured revolving credit agreement (Credit Agreement) with (i) JPMorgan Chase Bank, N.A. as administrative agent; (ii) HSBC Bank USA, National Association; (iii) RBS Citizens, National Association; (iv) Fifth Third Bank; and (v) Citibank, N.A. JPMorgan Securities LLC and HSBC Bank USA, National Association acted as joint bookrunners and joint lead arrangers; HSBC Bank USA, National Association and RBS Citizens, National Association acted as co-syndication agents; and Fifth Third Bank and Citibank, N.A. acted as co-documentation agents.

The Credit Agreement provides for the extension of credit in the form of revolving loans, in multiple currencies, at any time and from time to time until the maturity of the Credit Agreement, which is November 23, 2014. Borrowings under the Credit Agreement will bear interest based under one of two options: (1) Alternate base rate loans will bear interest that includes a base reference rate plus a spread of 1.00-1.75%, depending on leverage ratio. The base reference rate will be the greater of (a) the prime rate, (b) federal funds effective rate plus 0.5%, and (c) adjusted 1-month London interbank offered ("LIBO") rate plus 1.00%. (2) Eurocurrency loans will bear interest based on the adjusted LIBO rate plus a spread of 2.00-2.75%, depending on leverage ratio. We capitalized $1.6 million of debt issuance costs associated with the Credit Agreement which will be amortized over the four year life of the agreement.

The Credit Agreement is secured by many of the assets of Rogers and our World Properties, Inc, subsidiary, including but not limited to receivables, equipment, intellectual property, inventory, stock in certain subsidiaries and real property.

As part of the agreement, we are restricted in our ability to perform certain actions, including, but not limited to our ability to pay dividends, incur additional debt, sell certain assets, and make capital expenditures, with certain exceptions. The key financial covenants include a requirement for us to maintain, at the end of each fiscal quarter ending on or after December 31, 2010, a fixed charge coverage ratio of no less than 3.0 to 1.0 and a leverage ratio of no more than 2.50 to 1.0. If an event of default occurs, the lenders may, among other things, terminate their commitments and declare all outstanding borrowings to be immediately due and payable together with accrued interest and fees.

In the first quarter of 2011, we made an initial draw on the line of credit of $145.0 million to fund the acquisition of Curamik. In the second quarter of 2011, we made $10 million in repayments of principal. We were in compliance with all covenants as of June 30, 2011.

At June 30, 2011 we had the following standby letters of credit (LOC) and guarantees that were backed by the Credit Facility:

- $1.0 million irrevocable standby LOC - to guarantee Rogers' self insured workers compensation plan; and
- $0.2 million letter guarantee – to guarantee a payable obligation for a Chinese subsidiary (Rogers Shanghai).

No amounts were owed on the LOCs as of June 30, 2011 or December 31, 2010.

Interest

We incurred interest expense on the borrowing of $1.0 million and $2.1 million in the three and six months ended June 30, 2011, respectively. We incurred an unused commitment fee of approximately $20,000 and $40,000 in the three and six months ended June 30, 2011, respectively. There were no interest charges in the first six months of 2010 and the unused commitment fee under the Citizens Credit Facility, for the three and six months ended June 30, 2010 was $37,000 and $55,000, respectively.

Restriction on Payment of Dividends

Pursuant to the Credit Agreement, we cannot make a cash dividend payment if a default or event of default has occurred and is continuing or shall result from the cash dividend payment.

On July 13, 2011, we entered into an amended and restated $265 million, secured, five year credit agreement. Refer to the subsequent event footnote, Note 16, for further information.

Note 13 – Goodwill and Intangible Assets

Definite-lived Intangible Assets

(Dollars in thousands)	June 30, 2011			December 31, 2010		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademarks and patents	$ 2,094	$ 1,134	$ 960	$ 2,041	$ 1,091	$ 950
Technology	40,567	3,830	36,737	6,423	1,448	4,975
Covenant-not-to-compete	1,664	722	942	1,604	668	936
Customer Relationships	22,273	923	21,350	4,324	387	3,937
Total other intangible assets	$ 66,598	$ 6,609	$ 59,989	$ 14,392	$ 3,594	$ 10,798

Gross carrying amounts may be different from prior periods due to foreign exchange rate fluctuations.

Amortization expense for the six months ended June 30, 2011 was approximately $2.9 million and $0.3 million for the same period in 2010. The anticipated future amortization expense is $2.9 million, $5.1 million, $6.6 million, $6.7 million and $6.4 million for the remainder of 2011 and 2012, 2013, 2014 and 2015, respectively.

The weighted average amortization period as of June 30, 2011, by intangible asset class, is presented in the table below:

Intangible Asset Class	Weighted Average Amortization Period
Trademarks and patents	8.4
Technology	5.4
Covenant not-to-compete	3.3
Customer relationships	9.0

Total other intangible assets	6.7

On January 4, 2011 we acquired Curamik, which included $52.8 million of intangible assets and $85.9 million of goodwill. The intangible assets are comprised of trademarks, technology, and customer relationships. This includes $5.7 million of indefinite-lived intangible assets, which are assessed for impairment annually. The definite-lived intangibles are amortized using an accelerated method of amortization that is expected to reflect the estimated pattern of economic use.

On November 2, 2010, we entered into a technology license agreement with Polyworks, Inc. Included in this agreement was $2.0 million of intangible assets. These assets are amortized on a straight line basis over 10 years.

On March 31, 2010, we acquired the assets of Utis, which included $9.3 million of intangible assets and $15.6 million of goodwill. The intangible assets are comprised of trademarks, technology, covenants not-to-compete and customer relationships. These intangibles are amortized using an accelerated method of amortization that is expected to reflect the estimated pattern of economic use.

Goodwill

The changes in the carrying amount of goodwill for the period ending June 30, 2011, by reportable segment, are as follows:

(Dollars in thousands)	High Performance Foams	Printed Circuit Materials	Power Distribution Systems	Curamik Electronic Solutions	Thermal Management Solutions	Other	Total
December 31, 2010	$ 22,962	$ -	$ --	$ -	$ -	$ 2,224	$ 25,186
Curamik acquisition	-	-	-	85,947	-	-	85,947
Foreign currency translation adjustment	961	-	-	7,259	-	-	8,220
June 30, 2011	$ 23,923	$ -	$ -	$ 93,206	$ -	$ 2,224	$ 119,353

Note 14 – Commitments and Contingencies

We are currently engaged in the following environmental and legal proceedings:

Superfund Sites

We are currently involved as a potentially responsible party (PRP) in one active case involving a waste disposal site. Currently, this proceeding is at a stage where it is not possible to estimate the ultimate cost of remediation, the timing and extent of remedial action that may be required by governmental authorities, or the amount of our liability, if any, alone or in relation to that of any other PRPs. The costs incurred since inception for this claim have been immaterial and have been primarily covered by insurance policies, for both legal and remediation costs. We have been assessed a cost sharing percentage of approximately 2% in relation to the range for estimated total cleanup costs of $17 million to $24 million. We believe we have sufficient insurance coverage to fully cover this liability and have recorded a liability and related insurance receivable of approximately $0.3 million as of June 30, 2011, which approximates our share of the low end of the range. We believe we are a de minimis participant and have been allocated an insignificant percentage of the total PRP cost sharing responsibility. Based on facts presently known to us, we believe that the potential for the final results of this case having a material adverse effect on our results of operations, financial position or cash flows is remote. This case has been ongoing for many years and we believe that it will continue on for the indefinite future. No time frame for completion can be estimated at the present time.

PCB Contamination

We have been working with the Connecticut Department of Environmental Protection (CT DEP) and the United States Environmental Protection Agency (EPA) Region I in connection with certain polychlorinated biphenyl (PCB) contamination in the soil beneath a section of cement flooring at our Woodstock, Connecticut facility. We completed clean-up efforts in 2000 in accordance with a previously agreed upon remediation plan. To address the small amount of residual soil contamination at the site, we had proposed a plan of Monitored Natural Attenuation, which was subsequently rejected by the CT DEP. The CT DEP has additionally rejected two revised plans that were submitted. During the second quarter of 2009, the CT DEP required us to install additional wells on site to better determine the amount and location of the residual contamination. During the third quarter of 2009, one of the additional wells tested positive for PCBs, and we were therefore required to install additional wells to continue to try and determine the extent of the contamination. During 2010, the additional wells tested positive for contamination and therefore a pump and treat system was installed to alleviate further contamination of the ground water. Since inception, we have spent approximately $2.5 million in remediation and monitoring costs related to the PCB soil contamination at this site.

In addition, during the first quarter of 2010, we discovered PCB contamination of the building at our Woodstock, Connecticut facility, due to it having contained the equipment that was the source of the original PCB soil contamination. Remediation of the contamination within the facility is currently projected to cost between $0.8 million and $2.4 million; therefore, we recorded a liability of $0.8 million related to the building contamination, which represents the low end of the estimated range, as no other amount in the range is more probable at this time.

We believe that these situations will continue for several more years and no time frame for completion can be estimated at the present time.

Asbestos Litigation

A significant number of asbestos-related product liability claims have been brought against numerous United States industrial companies where the third-party plaintiffs allege personal injury from exposure to asbestos-containing products. We have been named, along with hundreds of other companies, as a defendant in some of these claims. In virtually all of these claims filed against us, the plaintiffs are seeking unspecified damages, or, if an amount is specified, such amount merely represents jurisdictional amounts. Even in those situations where specific damages are alleged, the claims frequently seek the same amount of damages, irrespective of the disease or injury. Plaintiffs' lawyers often sue dozens or even hundreds of defendants in individual lawsuits on behalf of hundreds or even thousands of claimants. As a result, even when specific damages are alleged with respect to a specific disease or injury, those damages are not expressly identified as to us.

We did not mine, mill, manufacture or market asbestos; rather we made a limited number of products which contained encapsulated asbestos. Such products were provided to industrial users. We stopped manufacturing these products in the late 1980s.

- Claims

We have been named in asbestos litigation primarily in Illinois, Pennsylvania and Mississippi. As of June 30, 2011, there were approximately 213 pending claims compared to approximately 194 pending claims at December 31, 2010. The number of open claims during a particular time can fluctuate significantly from period to period depending on how successful we have been in getting these cases dismissed or settled. Some jurisdictions prohibit specifying alleged damages in personal injury tort cases such as these, other than a minimum jurisdictional amount which may be required for such reasons as allowing the case to be litigated in a jury trial (which the plaintiffs believe will be more favorable to them than if heard only before a judge) or allowing the case to be litigated in federal court. This is in contrast to commercial litigation, in which specific alleged damage claims are often permitted. The prohibition on specifying alleged damage sometimes applies not only to the suit when filed but also during the trial – in some jurisdictions the plaintiff is not actually permitted to specify to the jury during the course of the trial the amount of alleged damages the plaintiff is claiming. Further, in those jurisdictions in which plaintiffs are permitted to claim specific alleged damages, many plaintiffs nonetheless still choose not to do so. In those cases in which plaintiffs are permitted to and do choose to assert specific dollar amounts in their complaints, we believe the amounts claimed are typically not meaningful as an indicator of a company's potential liability. This is because (1) the amounts claimed may bear no relation to the level of the plaintiff's injury and are often used as part of the plaintiff's litigation strategy, (2) the complaints typically assert claims against numerous defendants, and often the alleged damages are not allocated against specific defendants, but rather the broad claim is made against all of the defendants as a group, making it impossible for a particular defendant to quantify the alleged damages that are being specifically claimed against it and therefore its potential liability, and (3) many cases are brought on behalf of plaintiffs who have not suffered any medical injury, and ultimately are resolved without any payment or payment of a small fraction of the damages initially claimed. Of the approximately 213 claims pending as of June 30, 2011, 54 claims do not specify the amount of damages sought, 156 claims cite jurisdictional amounts, and only three (3) claims (less than 2.0% of the total pending claims) specify the amount of damages sought not based on jurisdictional requirements. Of these three (3) claims, one (1) claim alleges compensatory and punitive damages of $20,000,000 each; one (1) claim alleges compensatory damages of $65,000,000 and punitive damages of $60,000,000 and one (1) claim alleges compensatory and punitive damages of $1,000,000 each. These three (3) claims name between ten (10) and 109 defendants. However, for the reasons cited above, we do not believe that this data allows for an accurate assessment of the relation that the amount of alleged damages claimed might bear to the ultimate disposition of these cases.

The rate at which plaintiffs filed asbestos-related suits against us increased in 2001, 2002, 2003 and 2004 because of increased activity on the part of plaintiffs to identify those companies that sold asbestos containing products, but which did not directly mine, mill or market asbestos. A significant increase in the volume of asbestos-related bodily injury cases arose in Mississippi in 2002. This increase in the volume of claims in Mississippi was apparently due to the passage of tort reform legislation (applicable to asbestos-related injuries), which became effective on September 1, 2003 and which resulted in a higher than average number of claims being filed in Mississippi by plaintiffs seeking to ensure their claims would be governed by the law in effect prior to the passage of tort reform. The number of asbestos related suits filed against us decreased slightly in 2005 and 2006, but increased slightly in 2007, declined in 2008 and increased again in 2009 and 2010. As of the end of the second quarter, the number of suits filed in 2011 is about 70% higher than the number filed in 2010, but it is too early to be able to determine if this is a meaningful trend and the reasons for the increase.

- Defenses

In many cases, plaintiffs are unable to demonstrate that they have suffered any compensable loss as a result of exposure to our asbestos-containing products. We continue to believe that a majority of the claimants in pending cases will not be able to demonstrate exposure or loss. This belief is based in large part on two factors: the limited number of asbestos-related products manufactured and sold by us and the fact that the asbestos was encapsulated in such products. In addition, even at sites where the presence of an alleged injured party can be verified during the same period those products were used, our liability cannot be presumed because even if an individual contracted an asbestos-related disease, not everyone who was employed at a site was exposed to the asbestos-containing products that we manufactured. Based on these and other factors, we have and will continue to vigorously defend ourselves in asbestos-related matters.

- Dismissals and Settlements

Cases involving us typically name 50-300 defendants, although some cases have had as few as one and as many as 833 defendants. We have obtained dismissals of many of these claims. For the six months ended June 30, 2011, we were able to have 63 claims dismissed and settled 2 claims. For the year ended December 31, 2010, 163 claims were dismissed and 20 were settled. The majority of costs have been paid by our insurance carriers, including the costs associated with the small number of cases that have been settled. Such settlements totaled approximately $5.5 million for 2010, and $0.8 million for the six months ended June 30, 2011. Although these figures provide some insight into our experience with asbestos litigation, no guarantee can be made as to the dismissal and settlement rate that we will experience in the future.

Settlements are made without any admission of liability. Settlement amounts may vary depending upon a number of factors, including the jurisdiction where the action was brought, the nature and extent of the disease alleged and the associated medical evidence, the age and occupation of the claimant, the existence or absence of other possible causes of the alleged illness of the alleged injured party and the availability of legal defenses, as well as whether the action is brought alone or as part of a group of claimants. To date, we have been successful in obtaining dismissals for many of the claims and have settled only a limited number. The majority of settled claims were settled for immaterial amounts, and the majority of such costs have been paid by our insurance carriers. In addition, to date, we have not been required to pay any punitive damage awards.

- Potential Liability

National Economic Research Associates, Inc. (NERA), a consulting firm with expertise in the field of evaluating mass tort litigation asbestos bodily-injury claims, has historically been engaged to assist us in projecting our future asbestos-related liabilities and defense costs with regard to pending claims and future unasserted claims. Projecting future asbestos costs is subject to numerous variables that are extremely difficult to predict, including the number of claims that might be received, the type and severity of the disease alleged by each claimant, the long latency period associated with asbestos exposure, dismissal rates, costs of medical treatment, the financial resources of other companies that are co-defendants in claims, uncertainties surrounding the litigation process from jurisdiction to jurisdiction and from case to case and the impact of potential changes in legislative or judicial standards, including potential tort reform. Furthermore, any predictions with respect to these variables are subject to even greater uncertainty as the projection period lengthens. In light of these inherent uncertainties, the limited amount and variability of our claims history and consultations with NERA, we believe that five years is the most reasonable period for recognizing a reserve for future costs, and that costs that might be incurred after that period are not reasonably estimable at this time. As a result, we also believe that our ultimate asbestos-related contingent liability (i.e., our indemnity or other claim disposition costs plus related legal fees) cannot be estimated with certainty.

- Insurance Coverage

Our applicable insurance policies generally provide coverage for asbestos liability costs, including coverage for both resolution and defense costs. Following the initiation of asbestos litigation, an effort was made to identify all of our primary and excess level insurance carriers that provided applicable coverage beginning in the 1950s through the mid-1980s. Where appropriate, carriers were put on notice of the litigation. Marsh Risk Consulting (Marsh), a consulting firm with expertise in the field of evaluating insurance coverage and the likelihood of recovery for asbestos-related claims, has historically been engaged to work with us to project our insurance coverage for asbestos-related claims. Marsh's conclusions are based primarily on a review of our coverage history, application of reasonable assumptions on the allocation of coverage consistent with industry standards, an assessment of the creditworthiness of the insurance carriers, analysis of applicable deductibles, retentions and policy limits, the experience of NERA and a review of NERA's reports.

- Cost Sharing Agreement

To date, our insurance carriers have paid for substantially all of the settlement and defense costs associated with our asbestos-related claims. There is a new cost sharing agreement between us and such insurance carriers which is primarily designed to facilitate the ongoing administration and payment of such claims by the carriers until the applicable insurance coverage is exhausted. This new four year agreement expires on January 25, 2015 and replaces an older agreement that had expired.

- Impact on Financial Statements

Given the inherent uncertainty in making future projections, we have had the projections of current and future asbestos claims periodically re-examined, and we will have them updated if needed based on our experience, changes in the underlying assumptions that formed the basis for NERA's and Marsh's models, and other relevant factors, such as changes in the tort system and our success in resolving claims. Based on the assumptions employed by and the report prepared by NERA and other variables, NERA and Marsh updated their respective analyses for year end 2010 and the estimated liability and estimated insurance recovery, for the five-year period through 2015, is $29.7 million and $29.3 million, respectively. These amounts are currently reflected in our financial statements at June 30, 2011 as no material changes occurred during the first half of 2011 that would cause us to believe that an additional update to the analysis was required.

The amounts recorded for the asbestos-related liability and the related insurance receivables described above were based on facts known at the time and a number of assumptions. However, projecting future events, such as the number of new claims to be filed each year, the average cost of disposing of such claims, coverage issues among insurers and the continuing solvency of various insurance companies, as well as the numerous uncertainties surrounding asbestos litigation in the United States could cause the actual liability and insurance recoveries for us to be higher or lower than those projected or recorded.

There can be no assurance that our accrued asbestos liabilities will approximate our actual asbestos-related settlement and defense costs, or that our accrued insurance recoveries will be realized. We believe that it is reasonably possible that we will incur additional charges for our asbestos liabilities and defense costs in the future, which could exceed existing reserves, but such excess amount cannot be estimated at this time. We will continue to vigorously defend ourselves and believe we have substantial unutilized insurance coverage to mitigate future costs related to this matter.

Other Environmental and General Litigation

- On May 16, 2007, CalAmp Corp. (CalAmp) filed a lawsuit against us for unspecified damages. During the second quarter of 2008, CalAmp responded to discovery requests in the litigation and stated that its then current estimated total damages were $82.9 million. In the lawsuit, which was filed in the United States District Court, Central District of California, CalAmp alleged performance issues with certain printed circuit board laminate materials we had provided for use in certain of its products. In the first quarter of 2009 this lawsuit was settled for $9.0 million. The settlement was reached through mediation mandated by the United States District Court for the Central District of California. Both parties acknowledged that Rogers admitted no wrongdoing or liability for any claim made by CalAmp. We agreed to settle this litigation solely to avoid the time, expense and inconvenience of continued litigation. Under the settlement reached through mediation mandated by the U.S. District Court for the Central District of California, we paid CalAmp the $9.0 million settlement amount in January 2009. We had accrued $0.9 million related to this lawsuit in 2007 and recorded an additional $8.1 million in the fourth quarter of 2008. Legal and other costs related to this lawsuit were approximately $1.8 million in 2008. In February 2009, subsequent to the settlement with CalAmp, we reached an agreement with our primary level insurance carrier to recover costs associated with a portion of the settlement ($1.0 million) as well as certain legal fees and other defense costs associated with the lawsuit (approximately $1.0 million). Payment for these amounts was received in the first quarter of 2009. On February 6, 2009, we filed suit in the United States District Court for the District of Massachusetts against Fireman's Fund Insurance Company, our excess level insurance carrier, seeking to collect the remaining $8.0 million of the settlement amount. In December 2010, we settled the suit filed against Fireman's Fund Insurance Company and received a payment of $2.5 million. This is recorded in operating income and as an operating activity in the condensed consolidated financial statements. These funds will be used in normal business operations.

- In the second quarter of 2010, the CT DEP identified us as a potentially responsible party at a disposal site in Killingly, Connecticut. We have continued internal due diligence work related to the site to better understand the issue and our alleged involvement. Based on the facts and circumstances known to us at the present time, we are unable to estimate the probability or amount of any potential costs associated with this matter. As such, no reserve has been established at this time.

In addition to the above issues, the nature and scope of our business brings us in regular contact with the general public and a variety of businesses and government agencies. Such activities inherently subject us to the possibility of litigation, including environmental and product liability matters that are defended and handled in the ordinary course of business. We have established accruals for matters for which management considers a loss to be probable and reasonably estimable. It is the opinion of management that facts known at the present time do not indicate that such litigation, after taking into account insurance coverage and the aforementioned accruals, will have a material adverse impact on our results of operations, financial position, or cash flows.

Note 15 – Income Taxes

Our effective tax rate was 22.0% and 20.3% for the three month periods ended June 30, 2011 and June 30, 2010, respectively, and was 23.9% and 21.2% for the six month periods ended June 30, 2011 and 2010, respectively, as compared with the statutory rate of 35.0%. In both the six month periods ended June 30, 2011 and 2010, our tax rate continued to benefit from favorable tax rates on certain foreign business activity.

In 2009, we established a valuation allowance against substantially all of our U.S. deferred tax asset based upon the consideration of all available evidence, both positive and negative, using a "more likely than not" standard. As of June 30, 2011, we have concluded, based on this standard, that a valuation allowance is still appropriate against a significant portion of our U.S. deferred tax assets.

Our accounting policy is to account for interest expense and penalties related to uncertain tax positions as income tax expense. As of June 30, 2011, we have approximately $1.3 million of accrued interest related to uncertain tax positions included in the $18.7 million of unrecognized tax benefits, $10.5 million of which, if recognized, would impact the effective tax rate.

We are subject to numerous tax filings including U.S. Federal, various state and foreign jurisdictions. Currently, the following tax years remain open to the possibility of audit, by jurisdiction: U.S. Federal 2007 – 2010, various states 2006 – 2010, and foreign 2006 – 2010.

Note 16 – Subsequent Event

On July 13, 2011, we entered into an amended and restated $265 million, secured, five year credit agreement. Key features of this agreement, relative to the November 23, 2010 credit agreement, include (1) an increase in credit from $165 million to $265 million with the addition of a $100 million term loan; (2) the extension of maturity from November 23, 2014 to July 13, 2016; (3) a 25 basis point reduction in borrowing spread; (4) an increase in the size of permitted acquisitions from $25 million to $100 million; and (5) an increase in permitted additional indebtedness from $20 million to $120 million.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

As used herein, the "Company", "Rogers", "we", "us", "our" and similar terms include Rogers Corporation and its subsidiari unless the context indicates otherwise.

Forward Looking Statements

This information should be read in conjunction with the unaudited financial statements and related notes included in Item 1 of this Quarterly Report on Form 10-Q and the audited consolidated financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Form 10-K for the year-ended December 31, 2010.

Certain statements in this Quarterly Report on Form 10-Q may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on management's expectations, estimates, projections and assumptions. Words such as "expects," "anticipates," "intends," "believes," "estimates," "should," "target," "may," "project," "guidance," and variations of such words and similar expressi intended to identify such forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results or performance to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such factors include, but are not limited to, changing business, economic, and political conditions both in the United States and in foreign countries; increasing competition; the impact of a failure to raise the U.S. federal debt ceiling; any difficulties in integrating acquired businesses into our operations and the possibility that anticipated benefits of acquisitions may not materialize as expected; delays or problems in completing planned operational enhancements to various facilities; changes in product mix; the development of new products and manufacturing processes and the inherent risks associated with such efforts; the outcome of current and future litigation; the accuracy of our analysis of our potential asbestos-related exposure and insurance coverage; changes in the availability and cost of raw materials; and fluctuations in foreign currency exchange rates. Such factors also apply to our joint ventures. We make no commitment to update any forward-looking statement or to disclose any facts, events, or circumstances after the date hereof that may affect the accuracy of any forward-looking statements, unless required by law. Additional information about certain factors that could cause actual results to differ from such forward-looking statements include, but are not limited to, those items described in Item 1A, Risk Factors, to the Company's Form 10-K for the year-ended December 31, 2010.

Overview

Company Background and Strategy

We are a global enterprise that provides our customers with innovative solutions and industry leading products for use in a variety of markets, including portable communications, communications infrastructure, consumer electronics, mass transit, automotive, defense and clean technology. We generate revenues and cash flows through the development, manufacture, and distribution of specialty material-based products that are sold to multiple customers, primarily original equipment manufacturers (OEMs) and contract manufacturers that, in turn, produce component products that are sold to end-customers for use in various applications. As such, our business is highly dependent, although indirectly, on market demand for these end-user products. Our ability to forecast future sales growth is largely dependent on management's ability to anticipate changing market conditions and how our customers will react to these changing conditions. It is also highly limited due to the short lead times demanded by our customers and the dynamics of serving as a relatively small supplier in the overall supply chain for these end-user products. In addition, our sales represent a number of different products across a wide range of price points and distribution channels that do not always allow for meaningful quantitative analysis of changes in demand or price per unit with respect to the effect on sales and earnings.

Strategically, our focus is on three "mega-trends" that we believe will fuel the future growth of our Company – continued growth of the internet, expansion of mass transit, and further investment in clean technology. These trends and their related markets all require materials that perform to the highest standards, which has been a key strength of our products over the years. We are also focused on growing our business organically and through strategic acquisitions or technology investments that will add to or expand our product portfolio, as well as strengthen our presence in existing markets or expand into new ones. We will continue to focus on business opportunities and invest in expansion around the globe. In the first quarter of 2011, we finalized the acquisition of Curamik Electronics GmbH ("Curamik") and have been working diligently to integrate the business into Rogers. Additionally, in the first half of 2011. we have made significant progress on our new manufacturing operations for two of our Core Strategic segments: Printed Circuit Materials (PCM) in Suzhou, China, and Power Distribution Systems (PDS) in North America. Once complete, both PCM and PDS will have a manufacturing presence in each of our three major geographic regions – North America, Europe and Asia – further solidifying our commitment to be close to our customers in order to better serve their needs. Our vision is to be the supplier of choice for our customers in all of the various markets in which we participate. To achieve this goal, we strive to make the best products in these respective markets and to deliver the highest level of service to our customers.

2011 Second Quarter Executive Summary

In the second quarter of 2011, we achieved all time record quarterly sales of $143.7 million, an almost 50% improvement from second quarter 2010 sales of $96.6 million. The second quarter of 2011 included sales from our new acquisition, Curamik (CES), of $34.6 million; therefore, organic growth was approximately $12.5 million, or 12.9%, quarter over quarter. Earnings for the first quarter of 2011 improved to $0.73 per diluted share from $0.52 per diluted share in the first quarter of 2010.

Our sales growth was driven by improved performance across all of our Core Strategic businesses, led by Printed Circuit Materials (PCM) (29.2% quarter over quarter improvement from $33.6 million to $43.4 million), High Performance Foams (HPF) (13.1% growth from $38.9 million to $44.0 million) and Power Distribution Systems (PDS) (38.6% growth from $10.1 million to $14.0 million). Our new business, Curamik, continued to perform well during the quarter, achieving sales levels of $34.6 million, which was an all time quarterly record for the business. In the second quarter of 2011, approximately 95% of our sales were generated by our core businesses, as compared to 86% in the second quarter of 2010.

From an operating results standpoint, we grew our profits by almost 94% on a sales volume increase of almost 50% from $7.8 million in the second quarter of 2010 to $15.2 million in the second quarter of 2011. Once again, all of our core businesses improved quarter over quarter, led by PCM (109.5% increase from $2.1 million to $4.4 million quarter over quarter), HPF (21.8% increase from $5.5 million in the second quarter of 2010 to $6.7 million in the second quarter of 2011) and PDS ($0.1 million operating profit in the second quarter of 2010 to $1.7 million operating profit in the second quarter of 2011).

In the second quarter of 2011, we continued to make progress on our strategic growth initiatives. We have been working on the integration of Curamik into Rogers, and the new acquisition has delivered strong results in the first half of the year. Our efforts are focused on leveraging our organizations to increase our operational efficiencies, as well as to expand Curamik's base into new regions and customers to help drive its future growth. We have also made significant progress on our new manufacturing facility in Suzhou, China for our PCM business and in Arizona for our PDS operation. In Asia, PCM celebrated the grand opening of its facility on April 13, 2011 and is now manufacturing product for qualification, with sales expected late in the third quarter. In Arizona, our PDS facility is also manufacturing product and our efforts are focused on gaining traction in the North American marketplace and winning new business at new customers.

Overall, we have been able to increase sales and improve profitability in almost all of our businesses across the many markets and regions we serve, even as the uncertainty in the global economy continues. We have felt certain negative impacts from the overall economic environment, as rising raw material prices have impacted margins in certain sectors and it remains very difficult to forecast demand at our customers. However, we believe that we have a very strong product portfolio that continues to be enhanced through our strategic initiatives, and that we have opportunities for strong growth in the markets we target through our mega-trend strategy. We will continue to focus on growth, both organically and through acquisitions and strategic partnerships, as well as on controlling our costs in order to continue to deliver value to our shareholders. With the uncertain state of the global economy, we will continue to be cautiously optimistic about our business going forward. Ultimately, we believe that we are well positioned to take advantage of any opportunities to profitably grow our business for the future.

Segment Realignment

Due to the acquisition of Curamik and management's current view of our business, we determined that it was appropriate to adjust our segment structure in the first quarter of 2011.

Our previous reporting structure was comprised of three business categories – Core Strategic, Development Stage, and Other. Our new structure eliminates the Development Stage category and expands the Core Strategic category, as shown in the below table:

Old Structure	New Structure	
Core Strategic	Core Strategic	
High Performance Foams	High Performance Foams (HPF)	
Printed Circuit Materials	Printed Circuit Materials (PCM)	
Power Distribution Systems	Power Electronic Solutions	
Development Stage		Curamik Electronic Solutions (CES)
Custom Electrical Components		Power Distribution Systems (PDS)
Thermal Management Systems		Thermal Management Solutions (TMS)
Other	Other	

In the new structure, we created a new segment called "Power Electronic Solutions", which is comprised of three operating segments – Curamik Electronic Solutions, Power Distribution Systems, and Thermal Management Solutions. We now separately report the results of operations for all three of these segments. Also, we eliminated the Development Stage category, as the Thermal Management Systems business is now part of our Core Strategic segment of Power Electronic Solutions and the Custom Electrical Components segment will now be aggregated in "Other" as management concluded that the development activities at the segment were not gaining traction in the market and, therefore, suspended most of the development efforts associated with the segment. We believe that this new structure better reflects our reporting with management's current view of the business, particularly as we work to further penetrate our target mega-trend markets.

Results of Operations

The following table sets forth, for the periods indicated, selected operations data expressed as a percentage of net sales.

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
Net sales	100.0 %	100.0 %	100.0 %	100.0 %
Manufacturing margins	33.5	38.6	32.3	37.4
Selling and administrative expenses	18.7	24.5	18.4	24.7
Research and development expenses	4.3	6.1	4.4	5.2
Operating income	10.6	8.0	9.6	7.5
Equity income in unconsolidated joint ventures	0.9	1.8	1.0	2.2
Other income, net	-	1.1	0.6	1.0
Net realized gains (losses)	-	-	-	-
Interest income (expense), net	(0.9)	-	(1.0)	-
Income before income taxes	10.8	10.9	10.1	10.7
Income tax expense	2.4	2.2	2.4	2.3
Net income	8.4 %	8.6 %	7.7 %	8.4 %

Net Sales

Net sales in the second quarter of 2011 were $143.7 million as compared to $96.6 million in the second quarter of 2010, an increase of 48.7%, and $279.7 million in the first six months of 2011 as compared to $180.5 million for the comparable period in 2010, an increase of 54.9%. Second quarter and year to date 2011 results included approximately $34.6 million and $67.5 million, respectively, of sales from our new acquisition, Curamik. Excluding these amounts, quarter over quarter growth was approximately $12.5 million, or 12.9%, and half year growth was approximately $31.7 million, or 17.6%. Quarterly organic sales growth was driven primarily by increased volumes at our Core Strategic segments, as PCM increased sales by $9.8 million, or 29.2%; HPF increased sales by $5.1 million, or 13.1%; and PDS achieved sales increases of $3.9 million, or 38.6%. On a year to date basis, organic sales increases were also driven by these core segments, as PCM increased sales by $18.1 million, or 26.6%; HPF by $12.5 million, or 17.7%; and PDS by $7.1 million, or 36.8%. See “Segment Sales and Operations” below for further discussion on the segment performance.

Manufacturing Margins

Manufacturing margins as a percentage of sales decreased from 38.6% in the second quarter of 2010 to 33.5% in the second quarter of 2011, and from 37.4% to 32.3% in the first half of 2010 as compared to the first half of 2011, respectively. In the second quarter and first half of 2011, margins were impacted by several factors, many of which were anticipated and planned for by management. Most notably these factors included, the start up costs associated with our new PCM manufacturing facility in Suzhou, China and our PDS operations in North America, as well as the increasing costs of raw materials used in many of our production processes and unfavorable product mix in certain segments. However, as we move into the production phase in these new production facilities, we expect the start up and qualification costs to decline and margins to improve over time. Also, our new Curamik business has historically operated at lower margins than our legacy businesses, which also contributed to the overall decline from 2010. (However, Curamik also has lower operating costs, so the overall profitability is very similar to our core businesses). Sequentially, as anticipated, margins have improved from the first quarter of 2011, as our two new manufacturing operations are beginning to enter into the qualification phase for their products and the one-time negative impact from the fair value write up of Curamik inventory, as required by purchase accounting, only impacted the first quarter results, as well as the year to date comparisons..

Selling and Administrative Expenses

Selling and administrative expenses increased 13.2% from $23.7 million in the second quarter of 2010 to $26.8 million in the second quarter of 2011 and 14.9% for the first half of 2011 to $51.3 million from $44.7 million during the first half of 2010. The increase in the second quarter of 2011 from the second quarter of 2010 can be primarily attributable to the acquisition of Curamik, which added approximately $3.3 million of expense related to the normal operations of the business, as well as $1.0 million in amortization expense related to the intangible assets created in the acquisition transaction; as well as an increase in equity compensation costs of approximately $1.1 million as the 2011 equity grant awards were issued in the second quarter, while 2010's corresponding grants were issued in the first quarter of 2010; partially offset by a $1.8 million decrease in other incentive compensation costs. After considering these items, selling and administrative spending was essentially flat quarter over quarter, even though organic sales volumes increased by almost 13%. On a year to date basis, the increase in expense is primarily attributable to similar factors that impacted the second quarter comparisons, including Curamik costs of $9.5 million that impacted 2011 and not 2010 (comprised of $6.4 million of operational selling and administrative costs, $2.0 million of amortization costs on intangible assets, and $1.3 million of acquisition related costs), which were partially offset by lower overall equity and incentive compensation costs. Overall, after consideration of these items, spending increased slightly by approximately $0.5 million, even though organic sales volumes increased on a year to date basis by almost 18%. As evidenced by these comparisons, we were able to control our selling and administrative costs while still supporting much higher sales volumes levels, resulting in the reduction of selling and administrative costs as a percentage of sales on both a quarterly and year to date basis from approximately 25% in 2010 to 19% in 2011.

Research and Development Expenses

Research and development (R&D) expense increased from $5.9 million to $6.2 million in the second quarter of 2011 as compared to the second quarter of 2010 and increased from $9.4 million in the first half of 2010 to $12.2 million in the first half of 2011. As a percentage of sales, research and development expenses were 4.3% in the second quarter of 2011 as compared to 6.1% in the second quarter of 2010 and, on a year-to-date basis, 4.4% in 2011 as compared to 5.2% in 2010. In the near term, we believe that our R&D spending will be consistent with levels incurred during the quarter and should range between 4% to 5% of sales. As a Company, we are focused and committed to continually investing in R&D, both in our efforts to improve the technology and products in our current portfolio, as well as researching product extensions and new business development opportunities to further expand and grow our product portfolio. Investment in technology and R&D initiatives has been a key driver to our past success and we expect will be a key factor to our continued success in the future.

Equity Income/Loss in Unconsolidated Joint Ventures

Equity income in unconsolidated joint ventures decreased from $1.8 million in the second quarter of 2010 to $1.3 million in the second quarter of 2011 and decreased from $4.0 million for the first six months of 2010 to $2.8 million for the first six months of 2011. The reduction can be primarily attributed to the sale of our joint venture in Taiwan, Rogers Chang Chun Technology Co., Ltd. (RCCT), in the third quarter of 2010, which had contributed $0.3 million and $0.8 million of equity income in the second quarter and first half of 2010, respectively.

Other Income, Net

Other income decreased from $1.1 million in the second quarter of 2010 to $0.3 million for the second quarter of 2011 and from $1.9 million in the first half of 2010 to $1.6 million in the first half of 2011. The decline in the quarter over quarter results can be primarily attributable to the impact of foreign currency exchange rate fluctuations and our related hedge program as, in the second quarter of 2010, the U.S. dollar appreciated against the Euro by approximately 9.6% while, in the second quarter of 2011, the U.S. dollar depreciated against the Euro by approximately 2.0%, resulting in approximately $0.8 million more income in the second quarter of 2010 than in the comparable period in 2011. On a year to date basis, 2010 results included approximately $0.6 million of commission income from the former Polyimide Laminate Systems LLC joint venture that we fully acquired in the second quarter of 2010 and has since come to end of life for its products, while 2011 results included a gain on the sale of a building in China of approximately $1.9 million. The remaining difference is primarily attributable to foreign currency exchange rate fluctuations as the U.S. dollar appreciated against the Euro by approximately 14.7% in the first half of 2010, while depreciating against the Euro in the comparable 2011 period by approximately 7.5%, resulting in a decline in other income of approximately $1.8 million from 2010 to 2011.

Interest Income (Expense), Net

Interest income (expense), net, increased from effectively break-even in the second quarter of 2010 to $1.3 million in the second quarter of 2011 and, on a year to date basis, from income of $0.1 million in 2010 to expense of $2.8 million in 2011. The primary driver of this change was the recognition of approximately $1.1 million and $2.1 million in the second quarter and first half of 2011, respectively, of interest expense related to our long-term debt obligations resulting from funding of the Curamik acquisition in the first quarter of 2011, as well as approximately $0.2 million and $0.4 million in the second quarter and first half of 2011, respectively of interest expense associated with the capital lease obligation we acquired as part of the Curamik transaction.

Income Taxes

Our effective tax rate was 22.0% and 20.3% for the three month periods ended June 30, 2011 and June 30, 2010, respectively, and was 23.9% and 21.2% for the six month periods ended June 30, 2011 and 2010, respectively, as compared with the statutory rate of 35.0%. In both the six month periods ended June 30, 2011 and 2010 our tax rate continued to benefit from favorable tax rates on certain foreign business activity.

In 2009, we established a valuation allowance against substantially all of our U.S. deferred tax asset based upon the consideration of all available evidence, both positive and negative, using a "more likely than not" standard. As of June 30, 2011, we have concluded, based on this standard, that a valuation allowance is still appropriate against a significant portion of our U.S. deferred tax assets.

Segment Sales and Operations

Core Strategic

High Performance Foams

(Dollars in millions)	Three Months Ended		Six Months Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
Net sales	$ 44.0	$ 38.9	$ 83.2	$ 70.7
Operating income	6.7	5.5	11.3	7.8

Our HPF operating segment is comprised of our polyurethane and silicone foam products. Net sales in this segment were $44.0 million in the second quarter of 2011, an increase of 13.1% from $38.9 million in the second quarter of 2010. On a year to date basis, sales increased 17.7% from $70.7 million in 2010 to $83.2 million in 2011. Accordingly, operating results in this segment also improved in the second quarter of 2011, increasing by 21.8% from $5.5 million in the second quarter of 2010 to $6.7 million in the second quarter of 2011, as well as on a year to date basis, increasing 44.9% from $7.8 million in 2010 to $11.3 million in 2011. These results were driven by record quarterly sales levels for our high reliability silicone foam products as a result of strong demand in aircraft, communications infrastructure, solar power and hybrid-electric vehicle applications. Sales of urethane foam products also reached an all-time quarterly record in the second quarter of 2011 with significant growth in large-screen mobile internet devices and general industrial applications. In addition, our unique Poron® XRD™ shock-absorbing materials continue to win new adoptions in sports and impact apparel.

Printed Circuit Materials

(Dollars in millions)	Three Months Ended		Six Months Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
Net sales	$ 43.4	$ 33.6	$ 86.2	$ 68.1
Operating income	4.4	2.1	9.2	6.6

Our PCM operating segment is comprised of our high frequency circuit material products. Net sales in this segment increased by 29.2% to $43.4 million in the second quarter of 2011 from $33.6 million in the second quarter of 2010 and by 26.6% on a year to date basis from $68.1 million in the first six months of 2010 to $86.2 million in the first six months of 2011. Operating profits also increased in both comparative periods – quarter over quarter, operating profit more than doubled from $2.1 million in 2010 to $4.4 million in 2011 and increased by 39.4% year over year from $6.6 million in 2010 to $9.2 million in 2011. These results were driven by strong demand in the wireless infrastructure market, primarily due to the global expansion of third generation (3G) and fourth generation (4G) systems. Radar applications for both high reliability and automotive markets remained strong. Sales and design activity for new programs in wireless antennas continued at a rapid pace. Our high speed digital Theta® products have completed qualification by a major original equipment manufacturer (OEM) and have now been released to new program designers. However, these results were also negatively impacted by several factors, including cost increases related to certain raw materials, specifically copper and PTFE (polytetrafluoroethylene) materials caused in part by a worldwide shortage, particularly of PTFE. To address these cost increases, prices were adjusted in the first half of 2011 and began to take effect late in the second quarter of 2011. Results were also unfavorably impacted by costs associated with the start up of the segment's manufacturing facility in China, where we held the grand opening of our facility on April 14, 2011 and are now in the process of qualifying our products with customers. We are currently producing inventory and anticipate shipping product for satellite television applications to customers late in the third quarter of 2011.

Power Electronic Solutions

(Dollars in millions)	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
Curamik Electronic Solutions				
Net sales	$ 34.6	$ -	$ 67.5	$ -
Operating income	2.8	-	3.2	-
Power Distribution Systems				
Net sales	$ 14.0	$ 10.1	$ 26.4	$ 19.3
Operating income	1.6	0.1	3.9	0.1
Thermal Management Solutions				
Net sales	$ 0.2	$ 0.2	$ 0.3	$ 0.4
Operating loss	(1.3)	(0.9)	(3.0)	(1.7)

Curamik Electronic Solutions

Our CES operating segment is comprised of our power electronic substrate products, which are used primarily in the design of intelligent power management devices, such as insulated gate bipolar transistor (IGBT) modules that enable a wide range of products including highly efficient industrial motor drives, wind and solar energy converters and hybrid electric and electric vehicle (HEV/EV) drive systems. We signed an agreement to acquire Curamik on December 31, 2010 and officially closed the transaction on January 4, 2011. In the second quarter of 2011, CES sales were $34.6 million with operating profits of $2.8 million and year to date sales were $67.5 million with operating profits of $3.2 million. The sales volumes represent a record quarter for the business and an improvement of 5.2% from the $32.9 million in sales achieved in the first quarter of 2011. These results were driven by strong demand for the segments structured ceramic substrates, which are used for IGBT (Insualted Gate Bipolar Transistor) power modules, in major markets, such as energy efficient motor drives, wind and solar power generation, and hybrid electric vehicle applications. We continue working to integrate the business into Rogers, particularly from a sales and marketing standpoint, as we believe there are opportunities for growth within its primary markets in Europe and Japan, as well as in North America and Asia. To meet the growing sales volumes, we increased our capacity at Curamik in the first half of 2011 and are currently planning additional capacity expansion in the second half of 2011 to keep pace with expected growth.

In the first quarter of 2011, CES operating profits reflected approximately $1.3 million of one-time costs associated with the acquisition and integration of the business, which includes consulting, legal and audit fees, as well as severance charges and other integration related costs. The first quarter of 2011 results also include approximately $2.8 million of non-cash amortization charges related to the purchase accounting surrounding the acquisition, as we needed to assign a fair market value to the assets and liabilities of the business (see Note 4 for further detail). Of the $2.8 million, approximately $1.8 million related to a one-time charge related to the amortization of the inventory step-up to fair value, charges that did not recur in the second quarter. The remaining charges related primarily to the amortization of intangible assets. In the second quarter and in each quarter for the remainder of 2011, we expect to incur approximately $1.0 million of amortization costs associated with these intangible assets. Subsequent to 2011, these amounts will fluctuate as the amortization schedules are based on the timing of the estimated cash flows generated by these various intangible assets, which fluctuate over time.

Power Distribution Systems

Our PDS operating segment is comprised of our busbar products, which are used primarily in power distribution systems products in mass transit and clean technology applications. Sales increased by 38.6% in the second quarter of 2011 to a quarterly record of $14.0 million from $10.1 million in the second quarter of 2010. On a year to date basis, sales have increased by 36.8% from $19.3 million in 2010 to $26.4 million in 2011. Operating profits improved quarter over quarter from $0.1 million in 2010 to $1.6 million in 2011 and on a year to date basis from $0.1 million in 2010 to $3.9 million in 2011. These increases were driven by continued high demand for this segment's products in mass transit applications, as well as in wind and solar power inverters. The capacity expansion for PDS in Arizona is progressing on schedule. We are currently working to expand our customer base in the North American market and are in the process of making several prototypes for our customers. We expect production sales out of this facility late in the second half of 2011.

Thermal Management Systems

Our TMS business was formed at the end of 2007 and is focused on serving markets where thermal heat management is a priority, such as heat dissipation in electronic devices and hybrid electric vehicles. This venture recognized its first material sales in the second quarter of 2010, as it received its first significant order for its base plate products, and continues to focus on additional opportunities in the marketplace. Costs have escalated over the past year as the business focuses on improving its manufacturing processes and expanding its marketing efforts in order to gain traction in the marketplace. Progress has been slower than anticipated and management closely monitors this business to determine if continued investment in their technology platforms will ultimately yield positive returns and cash flows for the Company and its investors. Ultimately, decision points will be reached as to whether to continue to invest in this business or to no longer invest in it if we believe that future growth is not likely.

Other

(Dollars in millions)	Three Months Ended		Six Months Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
Net sales	$ 7.5	$ 13.8	$ 16.1	$ 22.0
Operating income	0.9	1.0	2.2	0.7

Our Other reportable segment consists of our elastomer rollers, floats, and non-woven materials products; and electroluminescent lamps and inverters. Net sales in this segment declined from $13.8 million in the second quarter of 2010 to $7.5 million in the second quarter of 2011 and from $22.0 million in the first half of 2010 to $16.1 million in the first half of 2011. Second quarter and year to date 2010 results included approximately $5.0 million of sales and $0.6 million of operating income from our former polyimide laminate systems business that we fully acquired in the second quarter of 2010 and has since come to end of life for its products. Excluding these results, sales were relatively flat across our remaining businesses, although profits improved significantly, primarily as a result of stronger sales of our inverter products.

Liquidity, Capital Resources and Financial Position

We believe that our ability to generate cash from operations to reinvest in our business is one of our fundamental strengths, as demonstrated by the strength of our financial position through the second quarter of 2011. For the first time since 2002, we have debt on our balance sheet, as we drew down our line of credit in the first quarter of 2011 by approximately $145 million to fund the strategic acquisition of Curamik Electronics GmbH. While the world financial markets have grown more stable, the continued volatility in the credit markets has generally diminished liquidity and capital availability worldwide. However, we believe that our existing sources of liquidity and cash expected to be generated from future operations, together with available long-term financing, will be sufficient to fund operations, capital expenditures, research and development efforts, and debt service commitments, among our other operating and investment needs, for at least the next twelve months. In addition, we continue to have access to the remaining portion of the recently increased line of credit should any unforeseen need or strategic opportunity present itself to the business. We continually review and evaluate the adequacy of our cash flows, lending facilities and banking relationships to ensure we have the appropriate access to cash to fund both our near-term operating needs and our long-term, strategic initiatives.

(Dollars in thousands)	June 30, 2011	December 31, 2010
Key Balance Sheet Accounts:		
Cash, cash equivalents and short-term investments	$ 75,351	$ 80,321
Accounts receivable	89,242	61,995
Inventory	71,517	47,574

	Six Months Ended	
	June 30, 2011	June 30, 2010
Key Cash Flow Measures:		
Cash provided by (used in) operating activities	$ (6,361)	$ 15,119
Cash used in investing activities	(137,931)	(24,857)

Cash provided by financing activities	133,408	495

At June 30, 2011, cash, cash equivalents and short-term investments totaled $75.4 million as compared to $80.3 million at December 31, 2010, a decline of approximately 6.1%. This decline was due to a cash payment of $12.6 million to partially fund the Curamik acquisition, as well as approximately $13.0 million in payments for incentive compensation earned in 2010, offset by a joint venture dividend of $2.8 million, the receipt of $5.5 million for stock options exercised, $5.2 million received for the sale of property in China and $4.0 million of auction rate security redemptions.

Significant changes in our balance sheet accounts from December 31, 2010 to June 30, 2011 are as follows:

o Accounts receivable increased 44%, from $62.0 million at December 31, 2010 to $89.2 million at June 30, 2011 due to a combination of the increased sales in the first half of 2011 and the acquisition of Curamik in the first quarter, which increased accounts receivable by $11.9 million.

o Inventories increased $23.9 million, or 50%, from $47.6 million at December 31, 2010 to $71.5 million at June 30, 2011 which is attributable to the increased customer demand and resultant increase in sales volumes across segments that led to higher inventory levels to meet such demand. Inventory levels were also increased by $12.2 million due to the first quarter acquisition of Curamik.

o Goodwill and other intangibles at June 30, 2011 increased $149.1 million from December 31, 2010, due primarily to the valuations of the amortizable intangible assets and goodwill created as a result of the acquisition of Curamik during the first quarter.

o Accounts payable increased 38% to $22.4 million at June 30, 2011 from $16.3 million at December 31, 2010 primarily as a result of the first quarter acquisition of Curamik, which contributed $6.0 million to this increase.

Credit Facilities

On November 23, 2010, we terminated our existing $50 million Multicurrency Revolving Credit Agreement with RBS Citizens (Citizens Credit Facility), National Association, a successor in interest to Citizens Bank of Connecticut, and concurrently entered into a $165 million, secured revolving credit agreement (Credit Agreement) with (i) JPMorgan Chase Bank, N.A. as administrative agent; (ii) HSBC Bank USA, National Association; (iii) RBS Citizens, National Association; (iv) Fifth Third Bank; and (v) Citibank, N.A. JPMorgan Securities LLC and HSBC Bank USA, National Association acted as joint bookrunners and joint lead arrangers; HSBC Bank USA, National Association and RBS Citizens, National Association acted as co-syndication agents; and Fifth Third Bank and Citibank, N.A. acted as co-documentation agents.

The Credit Agreement provides for the extension of credit in the form of revolving loans, in multiple currencies, at any time and from time to time until the maturity of the Credit Agreement, on November 23, 2014. Borrowings under the Credit Agreement will bear interest based under one of two options: (1) Alternate base rate loans will bear interest that includes a base reference rate plus a spread of 1.00-1.75%, depending on leverage ratio. The base reference rate will be the greater of (a) the prime rate, (b) federal funds effective rate plus 0.5%, and (c) adjusted 1-month London interbank offered ("LIBO") rate plus 1.00%. (2) Eurocurrency loans will bear interest based on the adjusted LIBO rate plus a spread of 2.00-2.75%, depending on leverage ratio. We capitalized $1.6 million of debt issuance costs associated with the Credit Agreement which will be amortized over the four year life of the agreement.

The Credit Agreement is secured by many of the assets of Rogers and our World Properties, Inc, subsidiary, including but not limited to receivables, equipment, intellectual property, inventory, stock in certain subsidiaries and real property.

As part of the agreement, we are restricted in our ability to perform certain actions, including, but not limited to our ability to pay dividends, incur additional debt, sell certain assets, and make capital expenditures, with certain exceptions. The key financial covenants include a requirement for us to maintain, at the end of each fiscal quarter ending on or after December 31, 2010, a fixed charge coverage ratio of no less than 3.0 to 1.0 and a leverage ratio of no more than 2.50 to 1.0. If an event of default occurs, the lenders may, among other things, terminate their commitments and declare all outstanding borrowings to be immediately due and payable together with accrued interest and fees.

In the first quarter of 2011, we made an initial draw on the line of credit of $145.0 million to fund the acquisition of Curamik. In the second quarter of 2011, we made $10 million in repayments of principal. We were in compliance with all covenants as of June 30, 2011.

At June 30, 2011 we had the following standby letters of credit (LOC) and guarantees that were backed by the Credit Facility:

- $1.0 million irrevocable standby LOC - to guarantee Rogers' self insured workers compensation plan; and
- $0.2 million letter guarantee – to guarantee a payable obligation for a Chinese subsidiary (Rogers Shanghai).

No amounts were owed on the LOCs as of June 30, 2011 or December 31, 2010.

On July 13, 2011, we entered into an amended and restated $265 million, secured, five year credit agreement. Key features of this agreement, relative to the November 23, 2010 credit agreement, include (1) an increase in credit from $165 million to $265 million with the addition of a $100 million term loan; (2) the extension of maturity from November 23, 2014 to July 13, 2016; (3) a 25 basis point reduction in borrowing spread; (4) an increase in the size of permitted acquisitions from $25 million to $100 million; and (5) an increase in permitted additional indebtedness from $20 million to $120 million.

Interest

We incurred interest expense on the borrowing of $1.0 million and $2.1 million in the three and six months ended of June 30, 2011, respectively. We incurred an unused commitment fee of approximately $20,000 and $40,000 in the three and six months ended June 30, 2011, respectively. There were no interest charges in the first six months of 2010 and the unused commitment fee for the three and six months ended June 30, 2010 was $37,000 and $55,000, respectively, under the Citizens Credit Facility.

Auction Rate Securities

As of June 30, 2011, we held approximately $33.6 million of auction rate securities at par value as compared to approximately $37.6 million as of December 31, 2010. Historically, these securities were classified as available-for-sale and recorded at fair value based on market valuations at that time (Level 1 input in accordance with accounting guidance). However, in the first quarter of 2008, the markets in which these securities traded became illiquid, causing us to reclassify these securities from a Level 1 input to a Level 3 input, as an active market no longer existed for these securities, and therefore we had to base our valuations on unobservable inputs.

Accordingly, our asset value was determined considering several factors, including an estimated time horizon for redeeming such securities, a discount factor to determine the present value of such securities, as well as the quality of the underlying securities, most of which were backed by investment grade student loans or municipalities. As of the second quarter of 2011, we performed a fair value assessment of these securities based on a discounted cash flow model, utilizing various assumptions that included estimated interest rates, probabilities of successful auctions, the timing of cash flows, and the quality and level of collateral of the securities. These inputs were chosen based on our current understanding of the expectations of the market and are consistent with the assumptions utilized during our assessment of these securities at year-end 2009. This analysis resulted in an insignificant increase in the fair value of our auction rate securities in the second quarter of 2011 and a total impairment of $3.1 million overall on our current portfolio.

The total fair value of the auction rate securities at June 30, 2011, was $30.5 million. These securities are classified as long-term assets, except for those that are scheduled to be redeemed within the next three months, which are classified as short-term investments.
The impairment described above, as of the second quarter of 2011, is classified as an other-than-temporary loss, separated into the amount representing the credit loss and the amount related to all other factors. The amount representing the credit loss is recognized in earnings, and as long as we do not intend to sell the security or it is not more likely than not that we will be required to sell the security before recovery of its cost basis, the remaining amount is recorded in other comprehensive income. The amount recognized in earnings during the first half of 2011 was insignificant. The assumptions utilized in the valuation will continue to be reviewed and, as market conditions continue to evolve and change, we will adjust our assumptions accordingly, which could result in either positive or negative valuation adjustments in the future.

We have the ability and intent to hold these securities until recovery. We also do not believe that the illiquid nature of these securities will negatively impact our business, as we believe we have the ability to generate sufficient cash to fund the operations and organic growth of the business absent these securities.

Contingencies

During the second quarter of 2011, we did not become aware of any new material developments related to environmental matters or other contingencies. We have not had any material recurring costs and capital expenditures related to environmental matters. Refer to Note 14"Commitments and Contingencies", to the condensed consolidated financial statements in Part I, Item 1 of this Form 10-Q, for further discussion on ongoing environmental and contingency matters.

Contractual Obligations

As of June 30, 2011, we had drawn down on our line of credit for $135 million to facilitate the purchase of Curamik. Associated with the Curamik purchase was a lease obligation of approximately $10.8 million.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements that have or are, in the opinion of management, likely to have a current or future material effect on our financial condition or results of operations.

Critical Accounting Policies

There have been no material changes in our critical accounting policies during the second quarter of 2011.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no significant changes in our exposure to market risk during the second quarter of 2011. For discussion of our exposure to market risk, refer to Item 7A, Quantitative and Qualitative Disclosures About Market Risk, contained in our 2010 Annual Report on Form 10-K.

Item 4. Controls and Procedures

The Company, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the design and operation of our disclosure controls and procedures, as defined under Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act), as of June 30, 2011. Our disclosure controls and procedures are designed (i) to ensure that information required to be disclosed by it in the reports that it files or submits under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Based on their evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of June 30, 2011 to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and are accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Except as noted below, there were no changes in the Company's internal control over financial reporting during its most recently completed fiscal quarter that have materially affected or are reasonably likely to materially affect its internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act.

On January 4, 2011, we acquired Curamik Electronics GmbH, which is located in Eschenbach, Germany, for $151.1 million, which reflects post closing adjustments. Since this acquisition occurred in January 2011, the scope of our assessment of the effectiveness of internal control over financial reporting does not include the acquired operations of Curamik Electronics GmbH, as permitted by SEC rules for recently acquired businesses.

Part II - Other Information

Item 1. Legal Proceedings

See a discussion of environmental, asbestos and other litigation matters in Note 14, "Commitments and Contingencies", to the condensed consolidated financial statements in Part I, Item 1 of this Form 10-Q.

Item 1A. Risk Factors

There have been no material changes in our risk factors from those disclosed in our 2010 Annual Report on Form 10-K.

Item 6. Exhibits

List of Exhibits:

3a	Restated Articles of Organization of Rogers Corporation were filed as Exhibit 3a to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2006 filed on February 27, 2007*.
3b	Amended and Restated Bylaws of Rogers Corporation, effective February 21, 2007 filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on February 22, 2007*.
4a	Shareholder Rights Agreement, dated as of February 22, 2007, between the Registrant and Registrar and Transfer Company, as Rights Agent, filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on February 23, 2007*.
4b	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 report on Form 10-Q. The Registrant hereby undertakes to file these instruments with the Commission upon request.
10.1	Fourth Amendment to Rogers Corporation Annual Incentive Compensation Plan, filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 18, 2011*.
10.2	Amended [and Restated] Rogers Corporation 2009 Long-Term Equity Compensation Plan, filed herewith.
10.3	Form of Basic Time-Based Restricted Stock Unit Award Agreement to Rogers Corporation 2009 Long-Term Equity Compensation Plan, filed herewith.
10.4	Form of Performance-Based Restricted Stock Award Agreement to Rogers Corporation 2009 Long-Term Equity Compensation Plan, filed herewith.
23.1	Consent of National Economic Research Associates, Inc., filed herewith.
23.2	Consent of Marsh U.S.A., Inc., filed herewith.
31.1	Certification of President and Chief Executive Officer (Principal Executive Officer) pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
31.2	Certification of Vice President, Finance and Chief Financial Officer (Principal Financial Officer) pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
32	Certification of President and Chief Executive Officer (Principal Executive Officer) and Vice President, Finance and Chief Financial Officer (Principal Financial Officer) pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith.
*	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.

101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.LAB	XBRL Labels Linkbase Document
101.PRE	XBRL Presentation Linkbase Document
101.DEF	XBRL Definition Linkbase Document

Attached as Exhibit 101 to this report are the following formatted in XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Statements of Income for the three months ended June 30, 2011 and June 30, 2010 and for the six months ended June 30, 2011 and June 30, 2010, (ii) Condensed Consolidated Balance Sheets at June 30, 2011 and December 31, 2010, (iii) Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2011 and June 30, 2010 and (iv) Notes to Condensed Consolidated Financial Statements.

In accordance with Rule 406T of Regulation S-T, the XBRL-related information in Exhibit 101 to this Quarterly Report on Form 10-Q is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act, is deemed not filed for purposes of Section 18 of the Exchange Act, and otherwise is not subject to liability under these sections.

Signatures

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.

ROGERS
CORPORATION
(Registrant)

/s/ Dennis M. Loughran	/s/ Ronald J. Pelletier
Dennis M. Loughran	Ronald J. Pelletier
Vice President, Finance and Chief Financial Officer	Corporate Controller and Principal Accounting Officer
Principal Financial Officer	

Dated: August 2, 2011