



MSA Announces Record First Quarter Results

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PITTSBURGH, May 3 /PRNewswire/ -- John T. Ryan III, chairman and chief executive officer of Mine Safety Appliances Company (Amex: MSA), announced today that consolidated sales for the first quarter of 2000 were \$128,218,000 compared with \$115,967,000 for the first quarter of 1999. Net income in the first quarter of 2000 was \$7,459,000 or \$1.74 per share, compared with \$2,570,000, or 59 cents per share, for the same period last year.

The first quarter results were the highest in the company's history for this quarter, and follow the strong performance in the fourth quarter of 1999.

First quarter consolidated sales were up 11% over the same period of last year, with solid gains in all major geographic segments. North American operations had strongly increased sales of self-contained breathing apparatus for firefighters, gas masks for defense preparedness, and helmets for industrial head protection. Sales of portable gas detection instruments also grew significantly. The only notable disappointment was the low level of specialty chemical sales from its Callery Chemical division. Most of these sales are to the pharmaceutical industry, which has had a number of issues related to new product cancellations, inventory reductions and product recalls. Sales in local currency were also up in Europe, particularly in Eastern Europe, and also in Germany and Italy, with mixed results in other European markets. When translated into U.S. dollars, European sales were slightly lower than first quarter 1999 due to adverse exchange rate movements. Good sales increases were also achieved in Asian, African and Latin American markets.

Consolidated net income for the first quarter was almost three times that of the year-ago quarter. Most of the increase occurred in the North American operations as a result of higher sales and margins combined with cost control and the benefits of cost reductions initiated in 1999. The costly but necessary transformation of the company's European operations is still underway, resulting in a small loss due to severance costs. Results in Eastern Europe were encouraging, an area where the company has enhanced its activities. All other international operations were profitable and well above last year's first quarter.

In North America, as elsewhere, the company has been focused for some time on multiple programs to improve performance. "In this quarter it all came together with gratifying results," Mr. Ryan said. "Business conditions improved, sales were strong, factories were busy, and product deliveries and operating expenses were controlled."

MSA sales to the North American fire service market have grown exceptionally well in the last number of quarters, and the response to new products shown to the market at a major trade show and on customer visits has been very encouraging. These products will begin to be shipped in the summer and fall. MSA's focused effort on core instrument products has also shown good results with more to come. The company believes its relative performance in key market segments has been good. The company's international operations outside of North America and Europe also generated a very fine start to the year in a quarter usually hampered by the Southern Hemisphere summer and holiday season.

"We were fired up about our prospects for the year 2000 and are very pleased with the strong first quarter performance," Mr. Ryan said. "Our delivery position is going very well and shipments have kept pace in the first quarter with the high level of incoming orders in the major commercial safety and instrument markets, which is encouraging. However, the weakness in the specialty chemicals market is expected to continue for some time, which could dampen overall results until a recovery is gained."

"The torrid pace of the first quarter probably cannot be sustained," Mr. Ryan continued. An analysis of seasonal factors done at the start of the year indicates the sales potential for North America in the subsequent three quarters is five to eight percent lower than the first quarter. As has been reported in the past, most of MSA's business is sales from stock, assembled-to-order goods or on short lead time. Therefore, future sales activity can be affected by short-term changes in general business conditions.

"In view of our new product initiatives, we remain optimistic that we will show solid earnings progress throughout the year, particularly if better sales from our profitable Callery Chemical Division and from MSA Europe are realized," Mr. Ryan noted. "Our goal is to achieve significant improvement in earnings this year (even if not up as dramatically as in the first quarter over 1999) as we move to a position of solid earnings success," he concluded.

This release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, without limitation, expectations as to future economic conditions, product introductions, cost reduction programs, and sales and earnings. Actual results may differ from current expectations. Among the factors that could cause such differences are the effects of new product introductions, cost reduction efforts, and market and operating conditions.

The results from operations for the three-month period ended March 31 are as follows.

(Note: Amounts in thousands, except earnings per share and shares outstanding)

Three Months Ended

March 31

2000 1999

Net sales	\$128,218	\$115,967	Other income	1,088	827	Cost of products sold	77,831	73,933	Selling and administrative costs	32,546	32,633
Depreciation, amortization and other costs	6,598	6,019	Income before income taxes	12,331	4,209	Taxes on income	4,872	1,639	Net income	\$7,459	\$2,570
Basic earnings per common share	1.74	.59	Average number of common shares outstanding (basic)	4,292,149	4,360,742						

Certain prior year amounts have been reclassified to conform to the current year presentation.

SOURCE Mine Safety Appliances Company

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