



MSA Announces Record Third Quarter and Year-to-Date Earnings; Global Safety Equipment Manufacturer Doubles Third Quarter Performance

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PITTSBURGH, Oct. 29 /PRNewswire/ -- Continuing improvements in sales of key products and strong gross margins contributed to third quarter earnings for MSA (Amex: MSA) that were double third quarter 2000 results. Strong third quarter earnings, following a record first half, resulted in the highest September year-to-date earnings in company history.

Net sales for the third quarter of 2001 were \$137,079,000 compared with \$119,745,000 for the third quarter of 2000, an increase of 14%. Third quarter 2001 net income was \$7,793,000, or 65 cents per share, compared with third quarter 2000 net income of \$3,920,000, or 33 cents per share.

Net sales for the nine months ended September 30, 2001 were \$405,455,000 compared with \$370,664,000 in 2000, an increase of 9%. Net income for the nine months ended September 30, 2001 was \$22,614,000, or \$1.90 per share, compared with \$14,205,000, or \$1.14 per share, in 2000.

The improvement in third quarter 2001 sales occurred primarily in North America, on strong shipments of safety products. Higher safety product sales reflect gains in established product lines and the introduction of new products for the fire service market. Such products include the CairnsHelmets line of firefighter head protection and the Evolution line of thermal imaging cameras, both of which were introduced during the third quarter of 2000. Specialty chemical sales were lower than third quarter 2000. Sales in Europe were flat year-to-year. Good local currency sales growth in other international markets, particularly South America and the Asia-Pacific region, was offset, when stated in U.S. dollars, by currency translation effects.

Net income for the third quarter of 2001 was double third quarter 2000 income. Stronger earnings were achieved in all geographic segments reflecting sales and margin improvements and the effect of operating cost reduction programs that were completed in Europe during 2000.

"It is very exciting to report record quarterly earnings for the second time this year and the best nine month results ever," said John T. Ryan III, Chairman and CEO. "This sales and earnings growth is the fruit of many initiatives undertaken over the past decade to improve the basics of our business. These initiatives include the introduction of new and improved products, identification of growth opportunities in targeted markets, such as defense preparedness and highway construction, and the implementation of more effective sales strategies."

Mr. Ryan noted that significant improvements in earnings were also achieved through improvements in the productivity of MSA operations. European operations achieved a noteworthy turnaround in earnings performance this year. Additionally, MSA operations in North America and other international areas continued the now well-established momentum gained from the various initiatives. "I am especially pleased that this year's results have been achieved in spite of the manufacturing recession in the United States and sluggish economic conditions in continental Europe and other key markets," Mr. Ryan said.

"Our nine month results are extremely satisfying. While the tragic events of September 11th have resulted in increased demand for certain air-purifying respirators, they have also created considerably more uncertainty regarding global economic conditions in general. MSA is well positioned in the former area, but setbacks in the latter may depress demand for the company's other safety equipment and specialty chemical products. Despite these uncertainties, I am optimistic that 2001 results will meet our target for the year and show good progress towards our multi-year goals to improve MSA's market position and financial performance," Mr. Ryan concluded.

This release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may include, without limitation, statements regarding expectations for new products, cost reduction programs, and sales and earnings. Actual results may differ from expectations contained in such forward-looking statements and can be affected by any number of factors, many of which are outside of management's direct control. Among the factors that could cause such differences are the effects of cost reduction efforts in Europe, market acceptance of new products, the company's ability to fulfill order backlogs, fire service market conditions, the global economic environment, and interest and currency exchange rates.

The results from operations for the three-month and nine-month periods ended September 30 are as follows.

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

| | Three Months Ended | | Nine Months Ended | |
|--|--------------------|-----------|-------------------|-----------|
| | September 30 | | September 30 | |
| | 2001 | 2000 | 2001 | 2000 |
| Net sales | \$137,079 | \$119,745 | \$405,455 | \$370,664 |
| Other income (expense) | 930 | (528) | 1,423 | 1,390 |
| Cost of products sold | 83,939 | 76,869 | 247,384 | 234,096 |
| Selling and administrative costs | 32,811 | 29,618 | 97,817 | 95,607 |
| Depreciation, amortization and other costs | 8,327 | 7,366 | 24,609 | 20,649 |
| Income before income taxes | 12,932 | 5,364 | 37,068 | 21,702 |

| | | | | |
|---|------------|------------|------------|------------|
| Taxes on income | 5,139 | 1,444 | 14,454 | 7,497 |
| Net income | 7,793 | 3,920 | 22,614 | 14,205 |
| Basic earnings per share | \$.65 | \$.33 | \$1.90 | \$1.14 |
| Diluted earnings per share | \$.64 | \$.33 | \$1.88 | \$1.13 |
| Average number of common shares outstanding (Basic) | 11,882,822 | 11,900,213 | 11,853,199 | 12,456,672 |

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