



MSA Announces Third Quarter Results

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PITTSBURGH, Nov. 5 /PRNewswire-FirstCall/ -- Mine Safety Appliances Co. (Amex: MSA) today announced that net sales for the third quarter of 2002 were \$149,424,000, compared with \$137,079,000 for the third quarter of 2001. Net income for the third quarter was \$5,793,000, or 47 cents per share, compared with \$7,793,000, or 65 cents per share, for the same period last year.

Net sales for the nine months ended September 30, 2002 were \$434,228,000, compared with \$405,455,000 in 2001. Net income for the nine months ended September 30, 2002 was \$23,261,000, or \$1.91 per share, compared with \$22,614,000, or \$1.90 per share, for the same period last year.

Third quarter 2002 sales growth occurred in European markets and includes MSA Gallet, which was acquired in the second quarter of 2002. MSA Gallet is the leading European manufacturer of protective helmets for the fire service, as well as for police and military markets. European sales also benefited from strong shipments of escape breathing devices to a Netherlands-based marine distributor and large government orders for gas masks and helmets in Austria. Sales in other international markets were mixed, but somewhat lower than in the third quarter of 2001, due to economic conditions in South America.

North American sales for the current quarter remained at third quarter 2001 levels. Increased North American gas mask shipments, primarily to the government, were largely offset by lower sales of respirators, thermal imaging cameras (TICs) and breathing apparatus. Respirator sales were very high in third quarter 2001, due to large shipments to distributors serving the September 11 disaster sites. Lower TIC sales in the current quarter reflect slower summer demand in fire service markets and the anticipated introduction in November of the new generation small, lightweight Evolution(R) 5000 TIC. Third quarter 2001 sales also benefited from large shipments converting the Chicago Fire Department to MSA self-contained breathing apparatus and invoicing of oxygen self-rescuers to the Navy. Specialty chemical sales improved somewhat in the current quarter.

Net income in the third quarter of 2002 was lower than the third quarter of last year reflecting somewhat lower gross margins related to the mix of sales. Additionally, third quarter 2001 results benefited from a gain on the sale of property in Britain.

"After a string of strong quarterly earnings that began in fourth quarter 2000, the results for the third quarter were disappointing," said John T. Ryan III, Chairman and CEO. "These reflect somewhat lower invoicing in North American safety products markets, which have benefited in recent quarters from strong demand in the fire service market and the emphasis on homeland security. Incoming order trends in our core commercial safety and instrument products in North America weakened in the summer, even considering seasonal expectations. We believe this was related to the overall slowing in the general economy and to some customers waiting for several key new products introduced in September, particularly breathing apparatus related to new standards. Such incoming business perked up positively in September and October, but this came too late for meeting third quarter invoicing goals. The improved release of U.S. fire service spending funds, MSA's attractive newly-introduced products and several specific current sales opportunities make us feel positive on orders in the North American safety products markets in the fourth quarter."

Mr. Ryan added that European performance continued to improve in established markets, and the acquisition of MSA Gallet has been a welcome addition to MSA's product line and financial results. He also noted that improved performance in South Africa and Brazil was offset by setbacks in most of South America.

"The results for the first nine months of the year were somewhat better than last year and are close to our seasonal targets," Mr. Ryan said. "Based on recent trends, I am optimistic that our results for the remainder of the year will be better than those of the third quarter, despite the general weakness in the global economy. We will have a challenge in reaching our significant objectives for fourth quarter performance and in attaining our sales and earnings goals for the year. Key elements will be getting orders on a timely basis and turning them into customer shipments in a productive manner. I anticipate our race for attainment of our annual goals to `go down to the wire,'" Mr. Ryan concluded.

Certain statements contained in this release may constitute "forward- looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from expectations contained in such statements. Factors that may materially affect financial condition and future results include: global economic conditions; the threat of terrorism and its potential consequences; the timely and successful introduction of new products; the availability of funding in fire service and homeland security markets; the ability of third party suppliers to provide raw materials and components; liquidity; 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	
	2002	2001	2002	2001
Net sales	\$149,424	\$137,079	\$434,228	\$405,455
Other income (expense)	(231)	930	1,944	1,423
Cost of products sold	94,091	83,939	270,222	247,384

Selling and administrative costs	36,054	32,811	104,181	97,817
Depreciation, amortization and other costs	8,795	8,327	23,281	24,609
Income before income taxes	10,253	12,932	38,488	37,068
Taxes on income	4,460	5,139	15,227	14,454
Net income	5,793	7,793	23,261	22,614
Basic earnings per share	\$.47	\$.65	\$ 1.91	\$ 1.90
Diluted earnings per share	\$.47	\$.64	\$ 1.89	\$ 1.88
Average number of common shares outstanding (Basic)	12,193,592	11,882,822	12,159,059	11,853,199

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