



## MSA Announces Strategic Plan to Enhance North American Facilities Utilization

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Company Expects Improved Operating Margins as Plants Consolidate

PITTSBURGH, Jan. 30 /PRNewswire-FirstCall/ -- MSA (NYSE: MSA) today announced a strategic plan to improve the efficiency of its North American manufacturing operations by generating more effective use of existing and available factory space. Implementation of the plan - called Project Magellan - will result in the relocation of certain activities and the closure of certain facilities which are supporting those activities today. The initiative aims to lower costs, improve operating margins, enhance the company's competitiveness in key product segments, and strengthen customer relationships by providing the best value in sophisticated safety products.

"Project Magellan is a multi-year endeavor that will significantly re-shape MSA operations and enhance the efficiency of our manufacturing facilities for years to come," said William M. Lambert, president of MSA North America. "To achieve this, we will reconfigure our North American factory network in phases over the next three to four years through the development of new facilities and plant consolidations." The company expects the initiative to reduce operating expenses by as much as \$10 million a year once completed.

The optimization plan will initially impact three MSA manufacturing sites. First and foremost, the manufacturing of fire helmets at the company's facility in Clifton, N.J. will be shifted to MSA's plant in Jacksonville, N.C., resulting in the closure of the Clifton site by the end of 2007.

The Clifton factory currently employs about 70 associates, and many will be offered an opportunity to relocate to Jacksonville or another MSA facility. The company noted it may incur some restructuring charges in late 2007 and early 2008 related to the Clifton transition. These charges, if any, are expected to be modest and will be specified at a later date.

In addition, MSA announced its intention to vacate its facility in Evans City, Pa. by August 2009, when the current lease on the property expires. The company will continue to produce gas masks and other respiratory protection products at Evans City through most of 2008. In late 2007 and continuing into 2008, certain production activities at Evans City will begin to transfer to other MSA facilities in the United States. As in Clifton, MSA intends to maintain employment for as many affected employees as possible by offering opportunities at other MSA sites. Specific relocation decisions will be made closer to the lease expiration date. The Evans City facility currently employs approximately 125 associates.

As a third step in this initial phase, the company announced it will shift its Mexican manufacturing operations from facilities in Mexico City and Torreon to a new factory being constructed in Queretaro, a city approximately 130 miles northwest of Mexico City. The plant consolidation in Mexico will occur in the second half of 2007 and be completed in 2008. MSA currently employs about 100 associates at its Mexico City and Torreon facilities. Sales, Customer Service, Marketing, and Administrative functions will remain in Mexico City for the near term but are expected to relocate to Queretaro by the end of 2008. Throughout this year, Torreon will transition to a customer service and support facility, while manufacturing personnel will be provided with an opportunity to relocate to the new Queretaro plant.

"Our efforts in Mexico reflect the need to efficiently expand our operations in what is clearly a growing market for MSA," Mr. Lambert said. "The new site in Queretaro will enhance our manufacturing and sales capabilities in the important Mexican market while positioning MSA for continued growth."

As Project Magellan is implemented over the next several years, MSA will continue to evaluate the performance and utilization of all of its North American facilities while striving to align its business to best meet customer and market needs. "MSA's business in North America is healthy with many opportunities for growth," Mr. Lambert said. "This initiative is about strengthening the performance of our organization, improving the use and productivity of our facilities, and building an even stronger foundation for future success."

MSA currently operates 12 manufacturing facilities in North America that employ approximately 1,900 associates. Many of these facilities were the result of MSA acquiring several smaller companies over the past decade. The company also employs approximately 300 people at its headquarters here in Pittsburgh. Worldwide, MSA employs approximately 4,500 associates.

Mr. Lambert added that MSA is committed to making this manufacturing transition as smooth as possible for its employees, distributors and customers. MSA began notifying employees yesterday and stressed that employment opportunities would be offered to affected employees as manufacturing shifts to new locations. The company held a Webcast today to outline further details associated with Project Magellan.

"We're committed to making this manufacturing transition as smooth as possible for our associates and transparent to our distributors and customers," Mr. Lambert said. "In short, it will be business as usual. Our customers and distributors in North America should expect the same high-quality products and customer service they're accustomed to receiving from MSA."

About MSA

Established in 1914, MSA is a global leader in the development, manufacture and supply of sophisticated safety products that protect people's health and safety. Sophisticated safety products typically integrate any combination of electronics, mechanical systems and advanced materials to protect users against hazardous or life-threatening situations. The company's comprehensive line of products is used by workers around the world in the fire service, homeland security, construction and other industries, as well as the military. Principal products include self-contained breathing apparatus, gas masks, gas detection instruments, head protection, respirators, thermal imaging cameras and ballistic body armor. The company also provides a broad range of consumer and contractor safety products through retail channels. These products are marketed and sold under the MSA Safety Works brand. MSA has annual sales of more than \$900 million, manufacturing operations throughout the world, and more than 30 international locations. Additional information is available on the company's Web site at [www.msanet.com](http://www.msanet.com).

SOURCE MSA

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