



SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the quarter ended March 31, 1995

Commission File No. 0-2504

MINE SAFETY APPLIANCES COMPANY

(Exact name of registrant as specified in its charter)

Pennsylvania

25-0668780

(State or other jurisdiction of (IRS Employer Identification No.)  
incorporation or organization)

121 Gamma Drive  
RIDC Industrial Park  
O'Hara Township  
Pittsburgh, Pennsylvania

15238

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: 412/967-3000

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 and (2) has been subject to such filing requirements for the past 90 days.

Yes

No

As of April 30, 1995, there were outstanding 5,813,872 shares of common stock without par value.



PART I FINANCIAL INFORMATION  
MINE SAFETY APPLIANCES COMPANY  
CONSOLIDATED CONDENSED BALANCE SHEET  
(Thousands of dollars, except shares data)

	March 31 1995	December 31 1994
<b>ASSETS</b>		
Current assets		
Cash	\$ 6,551	\$ 10,108
Temporary investments, at cost plus accrued interest	43,315	44,312
Accounts receivable, less allowance (1995 - \$2,263; 1994 - \$2,102)	86,380	88,698
Inventories:		
Finished products	37,498	33,576
Work in process	17,559	14,013
Raw materials and supplies	27,729	29,377
	-----	-----
Total inventories	82,786	76,966
	-----	-----
Other current assets	18,319	17,232
	-----	-----
Total current assets	237,351	237,316
	-----	-----
Property, plant and equipment	329,427	322,109
Accumulated depreciation	(177,295)	(170,153)
	-----	-----
Net property	152,132	151,956
	-----	-----
Other assets	32,871	27,779
	-----	-----
TOTALS	\$ 422,354	\$ 417,051
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities		
Notes and accounts payable	\$ 29,109	\$ 35,607
Federal, foreign, state and local income taxes	1,600	(1,090)
Other current liabilities	36,448	36,305
	-----	-----
Total current liabilities	67,157	70,822
	-----	-----
Long-term debt	16,418	16,564
Noncurrent liabilities (principally employee/retiree benefits) and deferred credits	66,094	63,690
Shareholders' equity		
Preferred stock, 4-1/2% cumulative - authorized 100,000 shares of \$50 par value; issued 71,373 shares, callable at \$52.50 per share	3,569	3,569
Second cumulative preferred voting stock - authorized 1,000,000 shares of \$10 par value; none issued		
Common stock - authorized 20,000,000 shares of no par value; issued 6,714,003 (outstanding 5,813,872 and 5,815,672)	8,068	8,048
Cumulative translation adjustments	1,844	(699)
Retained earnings	301,244	296,993
Less treasury shares, at cost:		
Preferred - 47,875 and 47,775 shares	(1,551)	(1,548)
Common - 900,131 and 897,831 shares	(40,489)	(40,388)
	-----	-----
Total shareholders' equity	272,685	265,975
	-----	-----
TOTALS	\$ 422,354	\$ 417,051
	=====	=====



MINE SAFETY APPLIANCES COMPANY  
CONSOLIDATED CONDENSED STATEMENT OF INCOME

(Thousands of dollars, except earnings per share and shares outstanding)

	Three Months Ended March 31	
	1995	1994
Net sales	\$ 118,162	\$ 109,522
Other income	1,572	1,432
	-----	-----
	119,734	110,954
	-----	-----
Costs and expenses		
Cost of products sold	71,816	70,513
Selling, general and administrative	31,774	29,587
Depreciation	4,986	4,885
Interest	425	608
Currency exchange (gains)/losses	822	656
	-----	-----
	109,823	106,249
	-----	-----
Income from operations before income taxes	9,911	4,705
Income taxes	4,193	2,145
	-----	-----
Net income	\$ 5,718	\$ 2,560
	=====	=====
Earnings per common share (1)	\$ 0.98	\$ 0.43
	=====	=====
Weighted average number of common shares outstanding	5,814,801	5,990,946
	=====	=====
Dividends paid on preferred stock	\$ 13	\$ 14
	=====	=====

(1) Computed after dividends paid on preferred stock. Common shares reserved for outstanding options under the stock option and incentive plans would have a negligible dilutive effect on earnings per common share.





MINE SAFETY APPLIANCES COMPANY  
CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS  
(Thousands of dollars)

	Three Months Ended March 31	
	1995	1994
<b>OPERATING ACTIVITIES</b>		
Income from operations	\$ 5,718	\$ 2,560
Depreciation	4,986	4,885
Deferred taxes, pensions, and other non-cash charges/(credits)	(784)	465
Changes in operating assets and liabilities	(6,033)	(2,267)
Other - principally currency exchange adjustments	2,046	1,147
	-----	-----
Cash flow from operating activities	5,933	6,790
	-----	-----
<b>INVESTING ACTIVITIES</b>		
Property additions	(4,318)	(4,218)
Property disposals	384	140
Acquisitions and other investing	(3,025)	(165)
	-----	-----
Cash flow from investing activities	(6,959)	(4,243)
	-----	-----
<b>FINANCING ACTIVITIES</b>		
Additions to long-term debt		1,581
Reductions of long-term debt	(462)	(742)
Cash dividends	(1,467)	(1,396)
Stock options and purchases of company's stock	(84)	(2,489)
Changes in notes payable and short term debt	(2,753)	943
	-----	-----
Cash flow from financing activities	(4,766)	(2,103)
	-----	-----
Effect of exchange rate changes on cash	1,238	84
	-----	-----
Increase/(decrease) in cash and cash equivalents	(4,554)	528
Beginning cash and cash equivalents	54,420	46,434
	-----	-----
Ending cash and cash equivalents	\$ 49,866	\$ 46,962
	=====	=====

## Note 1 - Basis of Presentation

The accompanying unaudited consolidated condensed financial statements include all adjustments, which are, in the opinion of management of the registrant, necessary for a fair statement of the operating results for the three-month periods ended March 31, 1995 and 1994. These financial statements have been prepared in accordance with the instructions to Form 10-Q and therefore do not include all information and footnotes necessary for a fair presentation of financial position, results of operations, and changes in cash flows in conformity with generally accepted accounting principles.



MINE SAFETY APPLIANCES COMPANY  
MANAGEMENT'S DISCUSSION AND ANALYSIS

The sales increase occurred in several areas. Commercial safety equipment sales in the U.S. were higher than sales in early 1994, which were slowed partly due to the adverse effect of severe weather and earthquakes on MSA and customer operations. Sales of gas detection and monitoring instruments and rental services to environmental markets continued to increase. Shipments of gas masks to the U.S. military were near prior year levels. International sales were also higher, mostly due to currency exchange. In local currency, notable sales increases occurred in Germany, Sweden, Canada, and Brazil.

The increase in net income was mainly in U.S. operations due to higher sales and production levels (which were depressed in the corresponding period of 1994 as mentioned previously) combined with further cost reductions. Additionally, the company's European operations have achieved a turnaround in profitability as a result of cost reductions and some sales growth. The profitability of MSA's operations in Brazil has also improved significantly in an unprecedented period of economic stability. Earnings per share benefitted from higher net income and reduced shares outstanding as a result of a share repurchase program.

These results represent another step along the way to longer term performance goals. International economic conditions are volatile, especially in Latin America and in the German and Japanese currency exchange markets. It is clear that our business is performing better in 1995, and we are generally optimistic about future business prospects. However, the extent of the improvement will depend upon business and customer buying patterns during the remainder of the year, as ours is a business whose sales mostly come from current orders.

The higher effective tax rate in 1994 was due primarily to the impact of losses of international affiliates.

Comparative foreign currency exchange losses charged to income are as follows:

	Three Months Ended March 31	
	1995	1994
	(Thousands of dollars)	
Transaction (gains)/losses	337	111
Translation (gains)/losses	485	545
	-----	-----
	822	656
	=====	=====

Currency exchange adjustments charged directly to the equity cumulative translation adjustments account are shown below. Significant first quarter 1995 translation gains relate primarily to Germany and Netherlands.

	Three Months Ended March 31	
	1995	1994
	(Thousands of dollars)	
Translation (gains)/losses	(2,543)	(287)

Available credit facilities along with internal cash resources are adequate to provide for ensuing capital requirements. The company's financial position and liquidity continue to be adequate. The current ratio and term debt in relation to capital as of March 31, 1995 were 3.5 and 6.4%, respectively, as compared to 3.4 and 7.5% at December 31, 1994.



PART II OTHER INFORMATION  
MINE SAFETY APPLIANCES COMPANY

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

- (10) \* Board of Directors April 24, 1984 Resolution providing for payment by the Company to officers the difference between amounts payable under terms of the Company's Non-Contributory Pension Plan and the benefit limitations of Section 415 of the Internal Revenue Code.

\* The exhibits marked by an asterisk are management contracts or compensatory plans or arrangements.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended March 31, 1995.

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.

MINE SAFETY APPLIANCES COMPANY

Date: May 12, 1995

By

S/James E. Herald  
James E. Herald  
Vice President - Finance;  
Principal Financial and  
Accounting Officer

THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM MARCH 1995 FINANCIAL STATEMENTS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS

3-MOS		
	DEC-31-1995	
	MAR-31-1995	
		6,551
		43,315
		88,643
		2,263
		82,786
	18,319	
		329,427
	177,295	
	422,354	
	67,157	
		16,418
		8,068
	0	
		3,569
		261,048
422,354		
		118,162
	119,734	
		71,816
		76,802
		822
		0
	425	
	9,911	
		4,193
5,718		
		0
		0
		0
		5,718
		.98
		.98

MINE SAFETY APPLIANCES COMPANY  
BOARD OF DIRECTORS' MEETING - APRIL 24, 1984  
Pages 2427 and 2428

RESOLVED, That the unfunded supplemental benefit account established for Mr. Milton G. Hulme, Jr., at the organizational meeting held April 25, 1983, be revoked and in its place the Company hereby establishes an unfunded supplemental benefit account for all present and future officers of the Company which shall provide said officers with pension and/or retirement benefits they would otherwise have received under the terms of the Company's Non-Contributory Pension Plan and Retirement Savings Plan but for the limitation of such benefits by Section 415 of the Internal Revenue, such benefits to be equal to the sum of:

- (a) the difference between the amount which would have been payable to them under the benefit formula of the Company's Pension Plan and the benefit limitations of Internal Revenue Code Section 415; and
- (b) the amount which would have been contributed from time to time to the Company's Retirement Savings Plan for their benefit but was not so contributed by reason of the contribution limitations of Code Section 415, such amounts to be adjusted from time to time to reflect the earnings and any gains or losses which would have accrued on such contributions; and

RESOLVED FURTHER, That each such benefit shall be payable to said officers (or their beneficiaries) at such time and in such manner as would otherwise have been the case and that any such payments shall be purely unfunded contractual obligations of the Company, payable solely from the general assets of the Company and not from any trust or other separate account.