
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 June 30, 2008

Commission File No. 1-15579

MINE SAFETY APPLIANCES COMPANY

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of
incorporation or organization)

25-0668780
(IRS Employer
Identification No.)

121 Gamma Drive
RIDC Industrial Park
O'Hara Township
Pittsburgh, Pennsylvania
(Address of principal executive offices)

15238
(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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

On July 25, 2008, there were 35,782,366 shares of common stock outstanding, not including 2,386,889 shares held by the Mine Safety Appliances Company Stock Compensation Trust.

PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

MINE SAFETY APPLIANCES COMPANY
CONDENSED CONSOLIDATED STATEMENT OF INCOME
(In thousands, except per share amounts)
Unaudited

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2008	2007	2008	2007
Net sales	\$293,162	\$249,099	\$559,506	\$475,038
Other income	1,492	1,063	2,408	1,464
	<u>294,654</u>	<u>250,162</u>	<u>561,914</u>	<u>476,502</u>
Costs and expenses				
Cost of products sold	181,573	155,303	341,565	292,073
Selling, general and administrative	68,919	58,777	135,013	115,349
Research and development	9,202	6,787	16,554	12,714
Restructuring and other charges	1,125	2,261	2,231	2,495
Interest	2,281	2,232	4,775	4,225
Currency exchange (gains) losses	(76)	(1,469)	4,018	(1,236)
	<u>263,024</u>	<u>223,891</u>	<u>504,156</u>	<u>425,620</u>
Income before income taxes	31,630	26,271	57,758	50,882
Provision for income taxes	11,676	8,943	21,777	17,486
Net income	<u>19,954</u>	<u>17,328</u>	<u>35,981</u>	<u>33,396</u>
Basic earnings per common share	<u>\$ 0.56</u>	<u>\$ 0.49</u>	<u>\$ 1.01</u>	<u>\$ 0.93</u>
Diluted earnings per common share	<u>\$ 0.55</u>	<u>\$ 0.48</u>	<u>\$ 1.00</u>	<u>\$ 0.92</u>
Dividends per common share	<u>\$ 0.24</u>	<u>\$ 0.22</u>	<u>\$ 0.46</u>	<u>\$ 0.40</u>

See notes to condensed consolidated financial statements.

MINE SAFETY APPLIANCES COMPANY
CONDENSED CONSOLIDATED BALANCE SHEET
(In thousands, except share amounts)
Unaudited

	June 30 2008	December 31 2007
Assets		
Current assets		
Cash and cash equivalents	\$ 67,009	\$ 74,981
Trade receivables, less allowance for doubtful accounts of \$6,219 and \$6,558	220,800	205,737
Inventories	183,052	155,332
Deferred tax assets	23,431	21,821
Prepaid expenses and other current assets	43,220	39,179
Total current assets	<u>537,512</u>	<u>497,050</u>
Property, less accumulated depreciation of \$290,787 and \$276,583	140,267	130,445
Prepaid pension cost	220,309	212,304
Deferred tax assets	25,959	24,125
Goodwill	86,868	87,011
Other noncurrent assets	76,333	65,371
Total	<u>1,087,248</u>	<u>1,016,306</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Notes payable and current portion of long-term debt	\$ 70,283	\$ 54,676
Accounts payable	55,861	50,648
Employees' compensation	28,919	24,920
Insurance and product liability	18,214	15,192
Taxes on income	7,759	7,199
Other current liabilities	56,285	56,554
Total current liabilities	<u>237,321</u>	<u>209,189</u>
Long-term debt	103,289	103,726
Pensions and other employee benefits	134,148	126,790
Deferred tax liabilities	100,899	100,934
Other noncurrent liabilities	12,339	13,129
Total liabilities	<u>587,996</u>	<u>553,768</u>
Minority interests	844	1,007
Shareholders' equity		
Preferred stock, 4 1/2% cumulative — authorized 100,000 shares of \$50 par value, issued 71,373 and 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 180,000,000 shares of no par value; issued 62,081,391 and 62,081,391 shares (outstanding 35,782,366 and 35,661,776 shares)	67,453	63,303
Stock compensation trust — 2,386,889 and 2,530,206 shares	(12,461)	(13,208)
Treasury shares, at cost:		
Preferred — 52,853 and 52,841 shares	(1,751)	(1,750)
Common — 23,912,136 and 23,889,409 shares	(255,971)	(255,096)
Accumulated other comprehensive income	49,564	36,233
Retained earnings	648,005	628,480
Total shareholders' equity	<u>498,408</u>	<u>461,531</u>
Total	<u>1,087,248</u>	<u>1,016,306</u>

See notes to condensed consolidated financial statements.

MINE SAFETY APPLIANCES COMPANY
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(In thousands)
Unaudited

	Six Months Ended	
	June 30	
	2008	2007
Operating Activities		
Net income	\$ 35,981	\$ 33,396
Depreciation and amortization	13,857	12,085
Pensions	(4,475)	(2,232)
Net gain on sale of investments and assets	(674)	(366)
Stock-based compensation	3,444	3,311
Deferred income taxes	(1,586)	(153)
Other noncurrent assets and liabilities	(14,189)	(10,616)
Currency exchange losses (gains)	4,018	(1,236)
Other, net	(71)	1,832
Operating cash flow before changes in working capital	<u>36,305</u>	<u>36,021</u>
Trade receivables	(10,743)	(14,380)
Inventories	(22,430)	(6,681)
Accounts payable and accrued liabilities	8,463	6,960
Prepays and other current assets	(3,103)	(4,337)
Increase in working capital	<u>(27,813)</u>	<u>(18,438)</u>
Cash flow from operating activities	<u>8,492</u>	<u>17,583</u>
Investing Activities		
Property additions	(19,582)	(13,488)
Property disposals	1,230	675
Acquisitions, net of cash acquired and other investing	(379)	(6,771)
Cash flow from investing activities	<u>(18,731)</u>	<u>(19,584)</u>
Financing Activities		
Proceeds from (payments on) short-term debt, net	15,022	30,002
Cash dividends	(16,456)	(14,395)
Company stock purchases	(875)	(15,591)
Exercise of stock options	601	858
Excess tax benefit related to stock plans	852	574
Cash flow from financing activities	<u>(856)</u>	<u>1,448</u>
Effect of exchange rate changes on cash	<u>3,123</u>	<u>961</u>
(Decrease) increase in cash and cash equivalents	<u>(7,972)</u>	<u>408</u>
Beginning cash and cash equivalents	<u>74,981</u>	<u>61,296</u>
Ending cash and cash equivalents	<u>67,009</u>	<u>61,704</u>

See notes to condensed consolidated financial statements.

MINE SAFETY APPLIANCES COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
Unaudited

(1) Basis of Presentation

We have prepared the condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the rules and regulations for reporting on Form 10-Q. Accordingly, they do not include certain information and disclosures required for comprehensive financial statements.

The year-end condensed consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America. The other information in these financial statements is unaudited; however, we believe that all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of these interim periods have been included. The results for interim periods are not necessarily indicative of the results to be expected for the full year.

The condensed consolidated financial statements include the accounts of the company and all subsidiaries. Intercompany accounts and transactions have been eliminated.

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

Management's Discussion and Analysis of Financial Condition and Results of Operations that is included elsewhere in this report contains additional information about our results of operations and financial position and should be read in conjunction with these notes.

(2) Restructuring and Other Charges

During the three and six month periods ended June 30, 2008, we recorded charges of \$1.1 million (\$0.7 million after tax) and \$2.2 million (\$1.4 million after tax), respectively. These charges for the six months ended June 30, 2008 included \$1.7 million in North America, primarily related to stay bonuses and other costs associated with our Project Magellan initiative to outsource or transfer certain production activities from our Evans City, Pennsylvania plant. International segment charges of \$0.5 million were severance costs related to staff reductions associated with our strategic initiative to improve our business in Japan.

During the three and six month periods ended June 30, 2007, we recorded charges of \$2.3 million (\$1.5 million after tax) and \$2.5 million (\$1.6 million after tax), respectively. The charges for the six months ended June 30, 2007 were primarily related to reorganization activities. In Europe, charges of \$1.0 million related to the reorganization of our management team. North American charges of \$1.0 million were primarily stay bonuses related to moving fire helmet manufacturing from Clifton, New Jersey to Jacksonville, North Carolina and moving our Mexican manufacturing operations to a new factory in Queretaro, Mexico. The Clifton Plant closed during 2007. International charges of \$0.5 million related to severance costs associated with workforce reductions in Brazil and Australia.

(3) Comprehensive Income

Components of comprehensive income are as follows:

(In thousands)	Three Months Ended June 30		Six Months Ended June 30	
	2008	2007	2008	2007
Net income	\$19,954	\$17,328	\$35,981	\$33,396
Cumulative translation adjustments	2,046	2,364	13,331	3,271
Pension and other benefit plan adjustments, net of tax	—	(96)	—	188
Comprehensive income	22,000	19,596	49,312	36,855

Components of accumulated other comprehensive income are as follows:

(In thousands)	June 30 2008	December 31 2007
Cumulative translation adjustments	\$32,817	\$ 19,486
Pension and post-retirement plan adjustments	16,747	16,747
Accumulated other comprehensive income	49,564	36,233

(4) Earnings per Share

Basic earnings per share is computed on the weighted average number of common shares outstanding during the period. Diluted earnings per share includes the effect of the weighted average stock options outstanding during the period, using the treasury stock method. Antidilutive options are not considered in computing diluted earnings per share.

(In thousands, except per share amounts)	Three Months Ended June 30		Six Months Ended June 30	
	2008	2007	2008	2007
Net income	\$19,954	\$17,328	\$35,981	\$33,396
Preferred stock dividends	10	10	20	20
Income available to common shareholders	19,944	17,318	35,961	33,376
Basic earnings per common share	\$ 0.56	\$ 0.49	\$ 1.01	\$ 0.93
Diluted earnings per common share	\$ 0.55	\$ 0.48	\$ 1.00	\$ 0.92
Basic shares outstanding	35,594	35,689	35,567	35,777
Stock options	393	574	437	572
Diluted shares outstanding	35,987	36,263	36,004	36,349
Antidilutive stock options	434	185	434	185

(5) Segment Information

We are organized into three geographic operating segments: North America, Europe, and International. Reportable segment information is presented in the following table:

(In thousands)	North America	Europe	International	Reconciling Items	Consolidated Totals
Three Months Ended June 30, 2008					
Sales to external customers	\$148,682	\$ 76,853	\$ 67,627	\$ —	\$ 293,162
Intercompany sales	14,660	29,964	4,842	(49,466)	—
Net income	11,514	4,118	4,346	(24)	19,954
Six Months Ended June 30, 2008					
Sales to external customers	\$295,324	\$137,258	\$ 126,924	\$ —	\$ 559,506
Intercompany sales	27,260	56,413	6,895	(90,568)	—
Net income	25,919	4,369	8,526	(2,833)	35,981
Three Months Ended June 30, 2007					
Sales to external customers	\$131,818	\$ 56,026	\$ 61,255	\$ —	\$ 249,099
Intercompany sales	11,496	23,075	1,676	(36,247)	—
Net income	10,532	1,830	4,405	561	17,328
Six Months Ended June 30, 2007					
Sales to external customers	\$254,719	\$109,113	\$ 111,206	\$ —	\$ 475,038
Intercompany sales	21,644	45,714	3,236	(70,594)	—
Net income	21,133	4,444	7,634	185	33,396

Reconciling items consist primarily of intercompany eliminations and items reported at the corporate level.

(6) Pensions and Other Postretirement Benefits

Components of net periodic benefit (credit) cost consisted of the following:

(In thousands)	Pension Benefits		Other Benefits	
	2008	2007	2008	2007
Three months ended June 30				
Service cost	\$ 2,408	\$ 2,686	\$ 179	\$ 175
Interest cost	4,809	4,286	534	381
Expected return on plan assets	(9,330)	(8,333)	—	—
Amortization of transition amounts	3	11	—	—
Amortization of prior service cost	45	43	(90)	(90)
Recognized net actuarial (gains) losses	(250)	237	412	211
Net periodic benefit (credit) cost	<u>(2,315)</u>	<u>(1,070)</u>	<u>1,035</u>	<u>677</u>
Six months ended June 30				
Service cost	\$ 4,795	\$ 5,264	\$ 347	\$ 318
Interest cost	9,579	8,758	928	742
Expected return on plan assets	(18,442)	(16,886)	—	—
Amortization of transition amounts	5	22	—	—
Amortization of prior service cost	92	85	(179)	(180)
Recognized net actuarial (gains) losses	(504)	525	607	390
Net periodic benefit (credit) cost	<u>(4,475)</u>	<u>(2,232)</u>	<u>1,703</u>	<u>1,270</u>

We made net contributions of \$1.2 million to our pension plans during the six months ended June 30, 2008. We expect to make net contributions of approximately \$2.4 million to our pension plans in 2008.

(7) Goodwill and Intangible Assets

Changes in goodwill and intangible assets, net of accumulated amortization, during the six months ended June 30, 2008 were as follows:

(In thousands)	Goodwill	Intangibles
Net balances at January 1, 2008	\$87,011	\$ 15,633
Goodwill and intangible assets acquired	—	233
Adjustments to purchase price allocation	(1,289)	1,289
Amortization expense	—	(1,600)
Currency translation and other	1,146	(118)
Net balances at June 30, 2008	<u>86,868</u>	<u>15,437</u>

At June 30, 2008, goodwill of approximately \$63.5 million, \$19.9 million, and \$3.5 million related to the North American, European, and International operating segments, respectively.

In March 2008, we finalized the allocation of the purchase price related to the March 2007 acquisition of Acceleron Technologies, LLC. The final allocation resulted in a \$1.3 million adjustment between goodwill and intangibles.

(8) Inventories

(In thousands)	June 30 2008	December 31 2007
Finished products	\$ 76,654	\$ 64,513
Work in process	36,772	28,582
Raw materials and supplies	69,626	62,237
Total inventories	<u>183,052</u>	<u>155,332</u>

(9) Stock Plans

On May 13, 2008, the shareholders approved the 2008 Management Equity Incentive Plan and the 2008 Non-Employee Directors' Equity Incentive Plan. The 2008 Management Equity Incentive Plan provides for various forms of stock-based compensation for eligible key employees through May 2018. The 2008 Non-Employee Directors' Equity Incentive Plan provides for grants of stock options and restricted stock awards to non-employee directors through May 2018. These plans replace the 1998 Management Share Incentive Plan and the 1990 Non-Employee Directors' Stock Option Plan. Our stock-based compensation includes stock options and restricted stock awards. Stock options are granted at market value option prices and expire after ten years, with limited instances of option prices in excess of market value and expiration after five years. Stock options granted after 2005 are exercisable beginning three years after the grant date. Stock options granted in 2005 and earlier years were fully vested as of December 31, 2005. Restricted stock awards are granted without payment to the company and generally vest three years after the grant date. Certain restricted stock awards for management retention vest in three equal tranches four, five, and six years after the grant date. Unvested restricted stock awards for management retention are forfeited if the grantee's employment with the company terminates for any reason other than death or disability. Restricted stock awards are valued at the market value of the stock on the award date. We issue Stock Compensation Trust shares or new shares for stock option exercises and restricted stock awards.

Stock-based compensation expense was as follows:

(In thousands)	Three Months Ended June 30		Six Months Ended June 30	
	2008	2007	2008	2007
Restricted stock awards	\$ 650	\$ 701	\$ 1,782	\$ 1,730
Stock option grants	576	233	1,662	1,581
Total compensation expense before income taxes	1,226	934	3,444	3,311
Income tax benefit	432	325	1,202	1,159
Total compensation expense, net of income tax benefit	<u>794</u>	<u>609</u>	<u>2,242</u>	<u>2,152</u>

A summary of stock option activity for the six months ended June 30, 2008 follows:

	Shares	Weighted Average Exercise Price
Outstanding at January 1, 2008	1,562,405	\$ 23.12
Granted	224,961	44.93
Exercised	(73,166)	8.22
Outstanding at June 30, 2008	1,714,200	26.62
Exercisable at June 30, 2008	<u>1,237,668</u>	<u>20.53</u>

A summary of restricted stock award activity for the six months ended June 30, 2008 follows:

	<u>Shares</u>	<u>Weighted Average Grant Date Fair Value</u>
Unvested at January 1, 2008	183,333	\$ 42.00
Granted	71,900	44.68
Vested	(53,999)	43.97
Forfeited	(1,080)	43.25
Unvested at June 30, 2008	<u>200,154</u>	<u>42.42</u>

(10) Derivative Financial Instruments

In 2004, we entered into an eight year interest rate swap agreement. Under the terms of the agreement, we receive a fixed interest rate of 8.39% and pay a floating interest rate based on LIBOR. The notional amount of the swap was initially \$20.0 million and declines \$4.0 million per year beginning in August 2008. The interest rate swap has been designated as a fair value hedge of a portion of our fixed rate 8.39% Senior Notes.

In order to account for these derivatives as hedges, the interest rate swap must be highly effective at offsetting changes in the fair value of the hedged debt. We have assumed that there is no ineffectiveness in the hedge, since all of the critical terms of the hedge match the underlying terms of the hedged debt.

The fair value of the interest rate swap at June 30, 2008 has been recorded as a liability of \$0.1 million, that is included in other noncurrent liabilities, with an offsetting reduction in the carrying value of long-term debt. The fair value of the interest rate swap at December 31, 2007 was recorded as a liability of \$0.2 million, that was included in other noncurrent liabilities, with an offsetting reduction in the carrying value of long-term debt.

As a result of entering into the interest rate swap, we have increased our exposure to interest rate fluctuations. Differences between the fixed rate amounts received and the variable rate amounts paid are recognized in interest expense on an ongoing basis. This rate difference resulted in no change in interest expense during the six months ended June 30, 2008 and an increase in interest expense of \$0.2 million during the six months ended June 30, 2007.

(11) Acquisitions

In December 2007, we acquired TecBOS GmbH of Halstenbek, Germany. TecBOS is a leading developer of software solutions for the fire service and other emergency planning organizations. We believe that this acquisition strengthens our presence in the European fire service and emergency responder market by adding complementary software solutions used for on-site management and reporting of major incidents such as fires, traffic accidents, industrial plant emergencies and public events. A purchase price of \$0.7 million was paid in cash to the previous owners.

In March 2007, we acquired Acceleron Technologies, LLC, a San Francisco-based developer of advanced technology suitable for personal locator devices. We believe that the acquisition of this technology significantly expedites the development of reliable systems for first responder and soldier location applications. The purchase price of \$5.7 million included amounts paid to the previous owners and other direct costs associated with the acquisition. The acquisition agreement provides for additional consideration of up to \$4.9 million to be paid to the former owners of Acceleron based on the achievement of specific technology development milestones by September 28, 2008.

In March 2007, we acquired the outstanding shares of MSA (India) Limited that were previously held by our joint venture partner for a purchase price of \$1.1 million. As a wholly-owned subsidiary under MSA management, we believe that we are better positioned to take advantage of opportunities in the large and growing Indian market.

The operating results of all acquisitions have been included in our consolidated financial statements from their respective acquisition dates. Pro forma consolidated results, as if the acquisitions had occurred at the beginning of 2007, would not be materially different from the results reported.

(12) Income Taxes

At June 30, 2008, we had a gross liability for unrecognized tax benefits of \$5.7 million. We have recognized tax benefits associated with these liabilities of \$2.2 million at June 30, 2008. These balances are unchanged since December 31, 2007. We do not expect that the total amount of the unrecognized tax benefit will significantly increase or decrease within twelve months of the reporting date.

We recognize interest related to unrecognized tax benefits in interest expense and penalties in operating expenses. At June 30, 2008, we had \$0.5 million of accrued interest related to unrecognized tax benefits.

(13) Fair Value Measurements

On January 1, 2008, we adopted FAS No. 157, Fair Value Measurements, as it relates to financial assets and liabilities that are remeasured and reported at least annually. In February 2008, the FASB issued FASB Staff Position (FSP) 157-2, Effective Date of FASB Statement No. 157, which delayed the effective date of FAS No. 157 for all nonfinancial assets and liabilities that are recognized and disclosed at fair value in the financial statements on a nonrecurring basis until January 1, 2009. Also in February 2008, the FASB issued FSP 157-1, Application of FASB Statement No. 157 to FASB Statement No. 13 and Other Accounting Pronouncements That Address Fair Value Measurements for Purposes of Lease Classification or Measurement under Statement 13, which amends FAS No. 157 to exclude FAS No. 13, Accounting for Leases, and its related interpretive accounting pronouncements.

FAS No. 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The provisions of this standard apply to other accounting pronouncements that require or permit fair value measurements and are to be applied prospectively with limited exceptions. Our adoption of FAS No. 157, as it relates to financial assets and liabilities that are remeasured and reported at least annually, had no impact on consolidated results of operations or financial condition. We are currently evaluating the potential impact of FAS No. 157, as it relates to nonfinancial assets and liabilities that are recognized and disclosed at fair value in the financial statements on a nonrecurring basis.

FAS No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This standard is now the single source under generally accepted accounting principles for the definition of fair value, except for the fair value of leased property as defined in FAS No. 13. FAS No. 157 establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FAS No. 157 are:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active

markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- Level 3 - Inputs that are both significant to the fair value measurement and unobservable.

In 2008, the valuation methodologies we used to measure financial assets and liabilities within the scope of FAS No. 157 were limited to the derivative financial instrument described in Note 10. We estimate the fair value of this financial instrument, consisting solely of an interest rate swap, based upon a valuation model with inputs that generally can be verified by observable market conditions and do not involve significant management judgment. Accordingly, the fair value of this financial instrument is classified within Level 2 of the fair value hierarchy.

(14) Contingencies

Various lawsuits and claims arising in the normal course of business are pending against us. These lawsuits are primarily product liability claims. We are presently named as a defendant in approximately 2,600 lawsuits, primarily involving respiratory protection products allegedly manufactured and sold by us. Collectively, these lawsuits represent a total of approximately 16,600 plaintiffs. Approximately 90% of these lawsuits involve plaintiffs alleging they suffer from silicosis, with the remainder alleging they suffer from other or combined injuries, including asbestosis. These lawsuits typically allege that these conditions resulted in part from respirators that were negligently designed or manufactured by us. Consistent with the experience of other companies involved in silica and asbestos-related litigation, in recent years there has been an increase in the number of asserted claims that could potentially involve us. We cannot determine our potential maximum liability for such claims, in part because the defendants in these lawsuits are often numerous, and the claims generally do not specify the amount of damages sought.

With some limited exceptions, we maintain insurance against product liability claims. We also maintain a reserve for uninsured product liability based on expected settlement charges for pending claims and an estimate of unreported claims derived from experience, sales volumes, and other relevant information. We evaluate our exposures on an ongoing basis and make adjustments to the reserve as appropriate. Based on information currently available, we believe that the disposition of matters that are pending will not have a materially adverse effect on our financial condition.

In the normal course of business, we make payments to settle product liability claims and for related legal fees and record receivables for the amounts covered by insurance. Various factors could affect the timing and amount of recovery of insurance receivables, including: the outcome of negotiations with insurers, legal proceedings with respect to product liability insurance coverage, and the extent to which insurers may become insolvent in the future.

We are currently involved in coverage litigation with Century Indemnity Company (Century). Century filed a lawsuit in the Superior Court of New Jersey seeking a declaration of Century's obligations with respect to certain asbestos, silica and other claims under five insurance policies issued to us by Century. The New Jersey Superior Court issued an order granting our motion to dismiss this case on jurisdictional grounds. Century appealed that order and on February 26, 2008, the Appellate Division of the Superior Court of New Jersey affirmed the decision of the trial court dismissing the case. The decision of the appellate court was not appealed and the New Jersey action is concluded. We have sued Century in the Court of Common Pleas of Allegheny County, Pennsylvania, alleging that Century breached the five insurance policies by failing to pay amounts owing to us. The Pennsylvania court has denied a motion by Century to stay or dismiss the Pennsylvania lawsuit in favor of the New Jersey action. The court also denied certain preliminary motions filed by both parties to narrow the issues in dispute. It is expected that additional motions will be filed during discovery. We believe that Century's refusal to indemnify us under the policies is wholly contrary to Pennsylvania law and we are vigorously pursuing the legal actions necessary to collect all amounts.

We regularly evaluate the collectibility of insurance receivables and record the amounts that we conclude are probable of collection based on our analysis of our various policies, pertinent case law interpreting comparable policies and our experience with similar claims. Receivables from insurance carriers totaled \$51.2 million and \$39.1 million at June 30, 2008 and December 31, 2007, respectively. Based upon our evaluation of applicable insurance coverage and the current status of the coverage litigation discussed in the preceding paragraph, we believe that the recorded balance is fully recoverable from carriers.

(15) Recently Issued Accounting Standards

In December 2007, the FASB issued FAS No. 141 (revised 2007), Business Combinations, which replaces FAS No. 141, Business Combinations. FAS No. 141(R) changes a number of significant aspects of the application of the acquisition method of accounting for business combinations. Under FAS No. 141(R), acquisition costs will generally be expensed as incurred; noncontrolling interests will be valued at fair value at the acquisition date; in-process research and development will be recorded at fair value as an indefinite-lived intangible asset at the acquisition date; restructuring costs associated with a business combination will generally be expensed subsequent to the acquisition date; and changes in deferred tax asset valuation allowances and income tax uncertainties after the acquisition date will generally affect income tax expense. FAS No. 141(R) is effective on a prospective basis for business combinations with acquisition dates on or after the January 1, 2009, with the exception of the accounting for valuation allowances on deferred taxes and acquired tax contingencies. Adjustments to valuation allowances on deferred taxes and acquired tax contingencies associated with acquisitions that close prior to the effective date of FAS No. 141(R) would also apply the provisions of FAS No. 141(R). We do not expect that the adoption of this statement, as it relates to past acquisitions, will have a material effect on our consolidated results of operations or financial condition.

In December 2007, the FASB issued FAS No. 160, Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51. FAS No. 160 requires the recognition of a noncontrolling interest (minority interest) as equity in the consolidated financial statements and separate from the parent's equity. The amount of net income attributable to the noncontrolling interest will be included in consolidated net income on the face of the income statement. It also amends certain ARB No. 51 consolidation procedures for consistency with the requirements of FAS No. 141(R) and expands disclosure requirements regarding the interests of the parent and its noncontrolling interest. FAS No. 160 is effective January 1, 2009. We do not expect that the adoption of this statement will have a material effect on our consolidated results of operations or financial condition.

In December 2007, the Emerging Issues Task Force issued EITF No. 07-1, Accounting for Collaborative Arrangements. EITF No. 07-1 requires that transactions with third parties (i.e., revenue generated and costs incurred by the partners) be reported in the appropriate line item in each company's financial statement and includes enhanced disclosure requirements regarding the nature and purpose of the arrangement, rights and obligations under the arrangement, accounting policy, amount and income statement classification of collaboration transactions between the parties. EITF No. 07-1 is effective January 1, 2009 and shall be applied retrospectively to all prior periods presented for all collaborative arrangements existing as of the effective date. We do not expect that the adoption of this statement will have a material effect on our consolidated results of operations or financial condition.

In March 2008, the FASB issued FAS No. 161, Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133. FAS No. 161 changes the disclosure requirements for derivative instruments and hedging activities. Entities are required to provide disclosures about (a) how and why derivative instruments are used, (b) how derivative instruments and related hedged items are accounted for under FAS No. 133, Accounting for Derivative Instruments and Hedging Activities, and its related interpretations, and (c) how derivative instruments and related hedged items affect the entity's financial position, financial performance, and cash flows. FAS No. 161 is effective January 1, 2009. We are currently evaluating the impact of adopting this statement.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the historical financial statements and other financial information included elsewhere in this report on Form 10-Q. This discussion may contain forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industry, business, and future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors. These factors include, but are not limited to, spending patterns of government agencies, competitive pressures, product liability claims and our ability to collect related insurance receivables, the success of new product introductions, currency exchange rate fluctuations, the identification and successful integration of acquisitions, and the risks of doing business in foreign countries. For discussion of risk factors affecting our business, see Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2007.

BUSINESS OVERVIEW

We are a global leader in the development, manufacture, and supply of sophisticated 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. Our comprehensive lines of safety products are used by workers around the world in the fire service, homeland security, construction, and other industries, as well as the military.

We are committed to providing our customers with service unmatched in the safety industry and, in the process, enhancing our ability to provide a growing line of sophisticated safety solutions for customers in key global markets. Four strategic imperatives drive us toward our goal of building customer loyalty by delivering exceptional levels of protection, quality, and value:

- Achieve sustainable growth through product leadership;
- Expand market penetration through exceptional customer focus;
- Control costs and increase efficiency in asset utilization; and
- Build the depth, breadth, and diversity of our global team.

We tailor our product offerings and distribution strategy to satisfy distinct customer preferences that vary across geographic regions. We believe that we best serve these customer preferences by organizing our business into three geographic segments: North America, Europe, and International. Each segment includes a number of operating companies. In 2007, approximately 52%, 24%, and 24% of our net sales were made by our North American, European, and International segments, respectively.

North America. Our largest manufacturing and research and development facilities are located in the United States. We serve our North American markets with sales and distribution functions in the U.S., Canada, and Mexico.

Europe. Our European segment includes well-established companies in most Western European countries, and more recently established operations in a number of Eastern European locations. Our largest European companies, based in Germany and France, develop, manufacture, and sell a wide variety of products. Operations in other European countries focus primarily on sales and distribution in their respective home country markets. While some of these companies may perform limited production, most of their sales are of products that are manufactured in our plants in Germany, France, and the U.S., or are purchased from third party vendors.

International. Our International segment includes operating entities located in Abu Dhabi, Argentina, Australia, Brazil, Chile, China, Hong Kong, India, Indonesia, Japan, Malaysia, Peru, Singapore, South Africa,

Thailand, and Zambia, some of which are in developing regions of the world. Principal manufacturing operations are located in Australia, Brazil, South Africa, and China. These companies develop and manufacture products that are sold primarily in each company's home country and regional markets. The other companies in the International segment focus primarily on sales and distribution in their respective home country markets. While some of these companies may perform limited production, most of their sales are of products that are manufactured in our plants in the U.S., Germany, and France, or are purchased from third party vendors.

RESULTS OF OPERATIONS

Three Months Ended June 30, 2008 Compared to Three Months Ended June 30, 2007

Net sales. Net sales for the three months ended June 30, 2008 were \$293.2 million, an increase of \$44.1 million, or 18%, compared with \$249.1 million for the three months ended June 30, 2007.

(In millions)	Three Months Ended June 30		Dollar Increase	Percent Increase
	2008	2007		
North America	\$ 148.7	\$ 131.8	\$ 16.9	13%
Europe	76.9	56.0	20.9	37
International	67.6	61.3	6.3	10

Net sales by the North American segment were \$148.7 million for the second quarter of 2008, an increase of \$16.9 million, or 13%, compared to \$131.8 million for the second quarter of 2007. During the second quarter of 2008, our sales of self-contained breathing apparatus (SCBA) improved \$9.6 million. Higher SCBA sales reflect \$12.6 million in shipments of our Firehawk® M7 Responder to the U.S. Air Force. Instrument sales were \$3.4 million higher in the current quarter, primarily due to strong shipments of our new Altair® multigas detectors to the oil and gas industry. Sales of head protection, primarily to the construction industry, improved \$2.0 million in the current quarter. Higher sales of Advanced Combat Helmets to the U.S. Army and CG634 helmets to the Canadian Forces, up \$3.9 million and \$4.9 million, respectively, in the current quarter, were somewhat offset by a \$2.9 million decrease in shipments of other ballistic protection.

Net sales for the European segment were \$76.9 million for the second quarter of 2008, an increase of \$20.9 million, or 37%, compared to \$56.0 million for the second quarter of 2007. Local currency sales in Europe were \$8.6 million higher than in the same quarter last year. The increase reflects strong sales of SCBAs and air purifying respirators in Eastern Europe and higher shipments of helmets to the fire service and law enforcement agencies in France. Currency translation effects increased European segment sales, when stated in U.S. dollars, by \$12.3 million, reflecting the stronger euro.

Net sales for the International segment were \$67.6 million in the second quarter of 2008, an increase of \$6.3 million, or 10%, compared to \$61.3 million for the second quarter of 2007. The sales increase was primarily in Africa and Latin America, where local currency sales were up \$3.9 million and \$4.1 million, respectively. The improvement in Africa was primarily due to strong growth in sales to the mining industry. These increases were partially offset by lower sales in the Middle East, where second quarter 2007 sales included a \$4.8 million shipment of ballistic vests to the Iraq Joint Contracting Command. Currency translation effects increased International segment sales, when stated in U.S. dollars, by \$3.6 million, primarily related to a strengthening of the Australian dollar and the Brazilian real.

Cost of products sold. Cost of products sold was \$181.6 million in the second quarter of 2008, compared to \$155.3 million in the second quarter of 2007. Cost of products sold, selling, general and administrative expenses, and research and development expenses include net periodic pension credits during the second quarters of 2008 and 2007 of \$2.3 million and \$1.1 million, respectively.

Gross profit. Gross profit for the second quarter of 2008 was \$111.6 million, which was \$17.8 million, or 19%, higher than gross profit of \$93.8 million in the second quarter of 2007. The ratio of gross profit to net sales

was 38.1% in the second quarter of 2008 compared to 37.7% in the same quarter last year. The higher gross profit ratio in the second quarter of 2008 was primarily related to sales mix and our ongoing efforts to reduce costs.

Selling, general and administrative expenses. Selling, general and administrative expenses were \$68.9 million during the second quarter of 2008, an increase of \$10.1 million, or 17%, compared to \$58.8 million in the second quarter of 2007. Selling, general and administrative expenses were 23.5% of net sales in the second quarter of 2008 compared to 23.6% of net sales in the second quarter of 2007. Local currency selling, general and administrative expenses in the European and International segments were up \$3.4 million, reflecting our increased focus on global initiatives and the higher selling and marketing expenses required to sustain sales growth in these markets. North American segment selling, general and administrative expenses were up \$3.3 million quarter-to-quarter, primarily due to the increased selling and marketing expenses required to support higher sales levels. Currency exchange effects increased second quarter 2008 administrative expense, when stated in U.S. dollars, by \$3.7 million, primarily related to a stronger euro, Australian dollar, and Brazilian real.

Research and development expense. Research and development expense was \$9.2 million during the second quarter of 2008, an increase of \$2.4 million, or 36%, compared to \$6.8 million during the second quarter of 2007. The increase occurred in the United States and Germany and reflects our continued focus on developing innovative new products.

Depreciation and amortization expense. Depreciation and amortization expense, which is reported in cost of sales, selling, general and administrative expenses, and research and development expenses, was \$7.1 million for the second quarter of 2008, an increase of \$1.0 million, or 16%, compared to \$6.1 million for the second quarter of 2007. The increase in depreciation expense was primarily on production and computer equipment in North America.

Restructuring and other charges. During the second quarter 2008, we recorded charges of \$1.1 million. These charges were primarily related to stay bonuses and other costs associated with our Project Magellan initiative to outsource or transfer certain production activities from our Evans City, Pennsylvania plant.

During the second quarter of 2007, we recorded charges of \$2.3 million, primarily related to reorganization activities. In Europe, charges of \$1.0 million related to the reorganization of our management team. North American charges of \$0.8 million were primarily stay bonuses related to moving fire helmet manufacturing from Clifton, New Jersey to Jacksonville, North Carolina and moving our Mexican manufacturing operations to a new factory in Queretaro, Mexico. The Clifton plant, which employed about 70 associates, was closed during 2007. International charges of \$0.5 million related to severance costs associated with workforce reductions in Brazil and Australia.

Currency exchange (gains) losses. Currency exchange gains were insignificant in the second quarter of 2008. Currency exchange gains of \$1.5 million in the second quarter of 2007 were primarily related to the Canadian dollar and the Australian dollar.

Income taxes. The effective tax rate for the second quarter of 2008 was 36.9% compared to 34.0% for the same quarter last year. The higher effective tax rate in the current quarter reflects a less favorable non-U.S. tax profile and the expiration of the research and development tax credit in the U.S.

We file a U.S. federal income tax return and various state and foreign income tax returns. Examinations of our U.S. federal returns have been completed through 2002. The Internal Revenue Service is currently examining our U.S. federal tax returns for the years 2003 through 2006. We also file in various state and foreign jurisdictions that may be subject to tax audits after 2002.

Net income. Net income for the three months ended June 30, 2008 was \$20.0 million, an increase of \$2.7 million, or 15%, compared to \$17.3 million for the same quarter last year. Basic earnings per share of common stock was \$0.56 for the second quarter of 2008, compared to \$0.49 for the second quarter of 2007.

North American segment net income for the second quarter of 2008 was \$11.5 million, an increase of \$1.0 million, or 9%, compared to \$10.5 million in the second quarter of 2007. Higher net income in North America was primarily related to the previously-discussed increase in sales.

European segment net income for the second quarter of 2008 was \$4.1 million, an increase of \$2.3 million, or 125%, compared to net income of \$1.8 million during the second quarter of 2007. Current quarter net income for the European segment includes a \$0.5 million after-tax gain on the sale of property in France. Currency translation effects increased European segment net income, when stated in U.S. dollars, by approximately \$0.5 million, reflecting the stronger euro. The remainder of the increase in European segment net income was primarily related to the previously-discussed increase in local currency sales.

International segment net income for the second quarter of 2008 was \$4.3 million, compared to \$4.4 million in the same quarter last year. Currency translation effects were not significant.

Six Months Ended June 30, 2008 Compared to Six Months Ended June 30, 2007

Net sales. Net sales for the six months ended June 30, 2008 were \$559.5 million, an increase of \$84.5 million, or 18%, compared with \$475.0 million in the same period in 2007.

(In millions)	Six Months Ended June 30		Dollar Increase	Percent Increase
	2008	2007		
North America	\$ 295.3	\$ 254.7	\$ 40.6	16%
Europe	137.3	109.1	28.2	26
International	126.9	111.2	15.7	14

Net sales in the North America segment were \$295.3 million for the six months ended June 30, 2008, an increase of \$40.6 million, or 16%, compared to \$254.7 million for the same period in 2007. SCBA sales during the six months ended June 30, 2008 were \$24.4 million higher than in the same period last year. The increase reflects improved availability of fire department funding under the U.S. Assistance to Firefighters Grant program and the release of customer orders that had been delayed during the second half of 2007 as manufacturers and the fire service market made the transition to a new National Fire Protection Association (NFPA) standard for SCBAs. SCBA sales during the first half of 2008 also include \$12.6 million in shipments of our Firehawk[®] M7 Responder to the U.S. Air Force. Fire service market sales of thermal imaging cameras and fire helmets were up \$2.7 million in the first half of 2008. Sales of head protection, primarily to the construction industry, improved \$3.6 million in the current period. Higher sales of Advanced Combat Helmets to the U.S. Army and CG634 helmets to the Canadian Forces, up \$8.3 million and \$9.1 million, respectively, in the current period, were partially offset by a \$2.5 million decrease in shipments of other ballistic protection.

In Europe, net sales for the six months ended June 30, 2008 were \$137.3 million, an increase of \$28.2 million, or 26%, compared to \$109.1 million in the same period in 2007. The increase in European sales, when stated in U.S. dollars, includes favorable currency translation effects of \$23.1 million, primarily due to a stronger euro in the current period. Local currency sales in Europe for the six months ended June 30, 2008 were \$5.1 million higher than in the same period last year. The increase reflects improved sales of SCBAs and air purifying respirators in Eastern Europe and higher shipments of helmets to the fire service and law enforcement agencies in France.

Net sales for the International segment were \$126.9 million for the six months ended June 30, 2008, an increase of \$15.7 million, or 14%, compared to \$111.2 million in the same period in 2007. Local currency sales in the International segment for the six months ended June 30, 2008 were \$7.9 million higher than in the same period last year. The sales increase was primarily in Latin America and Africa where local currency sales were up \$6.3 million and \$6.8 million, respectively. The improvement in Africa was primarily due to strong growth in sales to the mining industry. These increases were partially offset by lower sales in the Middle East, where sales

for the six months ended June 30, 2007 included a \$4.8 million shipment of ballistic vests to the Iraq Joint Contracting Command. The increase in International segment sales, when stated in U.S. dollars, includes favorable currency translation effects of \$7.8 million, primarily due to a stronger Brazilian real and Australian dollar in the current period.

Cost of products sold. Cost of products sold was \$341.6 million for the six months ended June 30, 2008 compared to \$292.1 million in the same period in 2007.

Cost of products sold, selling, general and administrative expenses, and research and development expenses include net periodic pension benefit costs and credits. Pension credits, combined with pension costs, resulted in net pension credits during the six month periods ended June 30, 2008 and 2007 of \$4.5 million and \$2.2 million, respectively.

Gross profit. Gross profit for the six months ended June 30, 2008 was \$217.9 million, which was \$34.9 million, or 19%, higher than gross profit of \$183.0 million in the same period in 2007. The ratio of gross profit to net sales was 39.0% in the six months ended June 30, 2008 compared to 38.5% in the same period last year. The higher gross profit ratio in the first half of 2008 was primarily related to sales mix and our ongoing efforts to reduce costs.

Selling, general and administrative expenses. Selling, general and administrative expenses were \$135.0 million during the six months ended June 30, 2008, an increase of \$19.7 million, or 17%, compared to \$115.3 million in the same period in 2007. Selling, general and administrative expenses were 24.1% of net sales in the six months ended June 30, 2008 compared to 24.3% of net sales in the first half of 2007. Local currency selling, general and administrative expenses in the European and International segments were up \$8.5 million in the six months ended June 30, 2008, reflecting our increased focus on global initiatives and the higher selling and marketing expenses required to sustain our sales growth in these markets. North American segment selling, general and administrative expenses were up \$4.7 million, primarily due to the increased selling and marketing expenses required to support higher sales levels. Currency exchange effects increased selling, general and administrative expenses, when stated in U.S. dollars, by \$7.1 million, primarily due to a stronger euro, Brazilian real, and Australian dollar.

Research and development expense. Research and development expense was \$16.6 million during the six months ended June 30, 2008, an increase of \$3.9 million, or 30%, compared to \$12.7 million during the first half of 2007. The increase occurred in the United States and Germany and reflects our continued focus on developing innovative new products.

Depreciation and amortization expense. Depreciation and amortization expense, which is reported in cost of sales, selling, general and administrative expenses, and research and development expenses, was \$13.9 million for the six months ended June 30, 2008, an increase of \$1.8 million, or 15%, compared to \$12.1 million for the same period in 2007. The increase in depreciation expense was primarily on production and computer equipment in North America.

Restructuring and other charges. During the six months ended June 30, 2008, we recorded charges of \$2.2 million. These charges were primarily related to stay bonuses and other costs associated with our Project Magellan initiative to outsource or transfer certain production activities from our Evans City, Pennsylvania plant.

During the six months ended June 30, 2007, we recorded charges of \$2.5 million, primarily related to reorganization activities. In Europe, charges of \$1.0 million related to the reorganization of our management team. North American charges of \$1.0 million were primarily stay bonuses related to moving fire helmet manufacturing from Clifton, New Jersey to Jacksonville, North Carolina and moving our Mexican manufacturing operations to a new factory in Queretaro, Mexico. The Clifton Plant, which employed about 70 associates, was closed during 2007. International charges of \$0.5 million related to severance costs associated with workforce reductions in Brazil and Australia.

Interest expense. Interest expense was \$4.8 million during the six months ended June 30, 2008 compared to \$4.2 million in the same period last year. The increase in interest expense was primarily due to higher short term debt.

Currency exchange (gains) losses. Currency exchange losses were \$4.0 million during the six months ended June 30, 2008, compared to currency exchange gains of \$1.2 million during the same period last year. Currency exchange losses during the first half of 2008 were primarily unrealized, and related to the effect of a stronger euro and a weaker South African rand on intercompany balances and losses on Canadian dollar trade receivables. The currency exchange gains during the first half of 2007 were primarily related to the strengthening of the Canadian dollar and Australian dollar.

Income taxes. The effective tax rate for the six months ended June 30, 2008 was 37.7% compared to 34.4% for the same period last year. The higher effective tax rate in the current period reflects a less favorable non-U.S. tax profile and the expiration of the research and development tax credit in the U.S. The income tax provision for the six months ended June 30, 2008 also includes a one-time charge of \$0.4 million in Germany, related to a tax law change that imposed a 3% flat tax on previously untaxed subsidies.

We file a U.S. federal income tax return and various state and foreign income tax returns. Examinations of our federal return have been completed through 2002. The Internal Revenue Service is currently examining our U.S. federal income tax returns for the years 2003 through 2006. We also file in various state and foreign jurisdictions that may be subject to tax audits after 2002.

Net income. Net income for the six months ended June 30, 2008 was \$36.0 million, an increase of \$2.6 million, or 8%, compared to \$33.4 million for the six months ended June 30, 2007. Basic earnings per share of common stock was \$1.01 for the six months ended June 30, 2008, compared to \$0.93 for the same period last year.

North American segment net income for the six months ended June 30, 2008 was \$25.9 million, an increase of \$4.8 million, or 23%, compared to \$21.1 million in the same period last year. The increase in North American net income was primarily due to the previously-discussed increase in sales.

European segment net income for the six months ended June 30, 2008 was \$4.4 million, unchanged from \$4.4 million for the first half of 2007. As previously noted, the income tax provision for the six months ended June 30, 2008 included a one-time charge of \$0.4 million in Germany, related to a tax law change that imposed a 3% flat tax on previously untaxed subsidies and a \$0.5 million after-tax gain on the sale of property in France. Currency translation effects increased European segment net income, when stated in U.S. dollars, by approximately \$1.0 million, reflecting the stronger euro.

International segment net income for the six months ended June 30, 2008 was \$8.5 million, an increase of \$0.9 million, or 12%, compared to \$7.6 million in the same period last year. Currency translation effects increased International segment net income, when stated in U.S. dollars, by approximately \$0.3 million. The remainder of the increase was primarily due to the previously-discussed increase in local currency sales.

The loss of \$2.8 million for the six months ended June 30, 2008 reported in reconciling items was primarily related to the previously-discussed currency exchange losses.

LIQUIDITY AND CAPITAL RESOURCES

Our main sources of liquidity are cash generated from operations and borrowing capacity. Our principal liquidity requirements are for working capital, capital expenditures, acquisitions, and principal and interest payments on outstanding indebtedness.

Cash and cash equivalents decreased \$8.0 million during the six months ended June 30, 2008, compared to an increase of \$0.4 million during the six months ended June 30, 2007.

Operating activities provided cash of \$8.5 million during the six months ended June 30, 2008, compared to providing cash of \$17.6 million during the six months ended June 30, 2007. Lower cash flow from operations in the six months ended June 30, 2008 reflected an increase of \$12.1 million in amounts due from insurance

carriers, as well as increases in working capital items, particularly inventory. During the six months ended June 30, 2008, inventories increased \$22.4 million, compared to an increase of \$6.7 million in the same period last year. LIFO inventories were \$183.1 million at June 30, 2008 and \$155.3 million at December 31, 2007. Trade receivables were \$220.8 million at June 30, 2008 and \$205.7 million at December 31, 2007. The increase in inventories occurred primarily in North America and was largely due to a ramp-up in SCBA and Thermal Imaging Camera production to meet an expected increase in fire service market demand. The increase in trade receivables was primarily in North America, and reflects the previously-discussed increase in sales. The increases in trade receivables and inventories, as reported on our balance sheet, include currency exchange effects of \$4.3 million and \$5.3 million, respectively.

Investing activities used cash of \$18.7 million during the six months ended June 30, 2008, compared to using \$19.6 million in the same period last year. During the six months ended June 30, 2008 and 2007, we used cash of \$19.6 million and \$13.5 million, respectively, for property additions. Higher capital spending in the current period includes costs associated with the construction of our new facility in Suzhou, China, as well as major building improvement projects in Brazil and Australia. During the first six months of 2007, we used cash of \$5.7 million to acquire Acceleron Technologies, LLC.

Financing activities used cash of \$0.9 million during the six months ended June 30, 2008, compared to providing cash of \$1.4 million in the first half of 2007. During the first six months of 2008, we paid cash dividends of \$16.5 million compared to paying dividends of \$14.4 million in the first half of 2007. During the six months ended June 30, 2008 and 2007, we used cash of \$0.9 million and \$15.6 million, respectively, to purchase treasury shares. During the six months ended June 30, 2008 and 2007, our short-term borrowings, increased \$15.0 million and \$30.0 million, respectively. Proceeds from short-term borrowings were used primarily to finance property additions and increases in working capital and insurance receivables.

CUMULATIVE TRANSLATION ADJUSTMENTS

The position of the U.S. dollar relative to international currencies at June 30, 2008 resulted in a translation gain of \$13.3 million being credited to the cumulative translation adjustments shareholders' equity account during the six months ended June 30, 2008, compared to a gain of \$3.3 million during the six months ended June 30, 2007. Translation gains in both periods were primarily due to the strengthening of the euro.

COMMITMENTS AND CONTINGENCIES

We have purchase commitments for materials, supplies, services, and property, plant and equipment as part of our ordinary conduct of business.

In September 2006, we acquired Paraclete. Under the terms of the asset purchase agreement, we issued a \$10.0 million note payable to the former owners of Paraclete. The note is non-interest bearing and is payable in five annual installments of \$2.0 million beginning September 1, 2007. We recorded the note at a fair value of \$8.5 million at the time of issuance. The discount of \$1.5 million is being recognized as interest expense over the term of the note.

During 2003, we sold our real property in Berlin, Germany for \$25.7 million, resulting in a gain of \$13.6 million. At the same time, we entered into an eight year agreement to lease back the portion of the property that we occupy. Under sale-leaseback accounting, \$12.1 million of the gain was deferred and is being amortized over the term of the lease.

In 2003, we entered into a lease agreement with BASF pertaining to that portion of the Callery Chemical site that is occupied by our Evans City, Pennsylvania manufacturing operations. The initial term of the lease was one year, with a renewal option for five successive one year periods. In September 2007, we exercised our fourth one year renewal option.

Various lawsuits and claims arising in the normal course of business are pending against us. These lawsuits are primarily product liability claims. We are presently named as a defendant in approximately 2,600 lawsuits, primarily involving respiratory protection products allegedly manufactured and sold by us. Collectively, these lawsuits represent a total of approximately 16,600 plaintiffs. Approximately 90% of these lawsuits involve plaintiffs alleging they suffer from silicosis, with the remainder alleging they suffer from other or combined injuries, including asbestosis. These lawsuits typically allege that these conditions resulted in part from respirators that were negligently designed or manufactured by us. Consistent with the experience of other companies involved in silica and asbestos-related litigation, in recent years there has been an increase in the number of asserted claims that could potentially involve us. We cannot determine our potential maximum liability for such claims, in part because the defendants in these lawsuits are often numerous, and the claims generally do not specify the amount of damages sought.

With some limited exceptions, we maintain insurance against product liability claims. We also maintain a reserve for uninsured product liability based on expected settlement charges for pending claims and an estimate of unreported claims derived from experience, sales volumes, and other relevant information. We evaluate our exposures on an ongoing basis and make adjustments to the reserve as appropriate. Based on information currently available, we believe that the disposition of matters that are pending will not have a materially adverse effect on our financial condition.

In the normal course of business, we make payments to settle product liability claims and for related legal fees and record receivables for the amounts covered by insurance. Various factors could affect the timing and amount of recovery of insurance receivables, including: the outcome of negotiations with insurers, legal proceedings with respect to product liability insurance coverage, and the extent to which insurers may become insolvent in the future.

We are currently involved in coverage litigation with Century Indemnity Company (Century). Century filed a lawsuit in the Superior Court of New Jersey seeking a declaration of Century's obligations with respect to certain asbestos, silica and other claims under five insurance policies issued to us by Century. The New Jersey Superior Court issued an order granting our motion to dismiss this case on jurisdictional grounds. Century appealed that order and on February 26, 2008, the Appellate Division of the Superior Court of New Jersey affirmed the decision of the trial court dismissing the case. The decision of the appellate court was not appealed and the New Jersey action is concluded. We have sued Century in the Court of Common Pleas of Allegheny County, Pennsylvania, alleging that Century breached the five insurance policies by failing to pay amounts owing to us. The Pennsylvania court has denied a motion by Century to stay or dismiss the Pennsylvania lawsuit in favor of the New Jersey action. The court also denied certain preliminary motions filed by both parties to narrow the issues in dispute. It is expected that additional motions will be filed during discovery. We believe that Century's refusal to indemnify us under the policies is wholly contrary to Pennsylvania law and we are vigorously pursuing the legal actions necessary to collect all amounts.

We regularly evaluate the collectibility of insurance receivables and record the amounts that we conclude are probable of collection based on our analysis of our various policies, pertinent case law interpreting comparable policies and our experience with similar claims. Receivables from insurance carriers totaled \$51.2 million and \$39.1 million at June 30, 2008 and December 31, 2007, respectively. Based upon our evaluation of applicable insurance coverage and the current status of the coverage litigation discussed in the preceding paragraph, we believe that the recorded balance is fully recoverable from carriers.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosures. We evaluate these estimates and judgments on an on-going basis based on historical

experience and various assumptions that we believe to be reasonable under the circumstances. However, different amounts could be reported if we had used different assumptions and in light of different facts and circumstances. Actual amounts could differ from the estimates and judgments reflected in our financial statements.

The more critical judgments and estimates used in the preparation of our financial statements are discussed in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2007.

RECENTLY ISSUED ACCOUNTING STANDARDS

In December 2007, the FASB issued FAS No. 141 (revised 2007), Business Combinations, which replaces FAS No. 141, Business Combinations. FAS No. 141(R) changes a number of significant aspects of the application of the acquisition method of accounting for business combinations. Under FAS No. 141(R), acquisition costs will generally be expensed as incurred; noncontrolling interests will be valued at fair value at the acquisition date; in-process research and development will be recorded at fair value as an indefinite-lived intangible asset at the acquisition date; restructuring costs associated with a business combination will generally be expensed subsequent to the acquisition date; and changes in deferred tax asset valuation allowances and income tax uncertainties after the acquisition date will generally affect income tax expense. FAS No. 141(R) is effective on a prospective basis for business combinations with acquisition dates on or after the January 1, 2009, with the exception of the accounting for valuation allowances on deferred taxes and acquired tax contingencies. Adjustments to valuation allowances on deferred taxes and acquired tax contingencies associated with acquisitions that close prior to the effective date of FAS No. 141(R) would also apply the provisions of FAS No. 141(R). We do not expect that the adoption of this statement, as it relates to past acquisitions, will have a material effect on our consolidated results of operations or financial condition.

In December 2007, the FASB issued FAS No. 160, Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51. FAS No. 160 requires the recognition of a noncontrolling interest (minority interest) as equity in the consolidated financial statements and separate from the parent's equity. The amount of net income attributable to the noncontrolling interest will be included in consolidated net income on the face of the income statement. It also amends certain ARB No. 51 consolidation procedures for consistency with the requirements of FAS No. 141(R) and expands disclosure requirements regarding the interests of the parent and its noncontrolling interest. FAS No. 160 is effective January 1, 2009. We do not expect that the adoption of this statement will have a material effect on our consolidated results of operations or financial condition.

In December 2007, the Emerging Issues Task Force issued EITF No. 07-1, Accounting for Collaborative Arrangements. EITF No. 07-1 requires that transactions with third parties (i.e., revenue generated and costs incurred by the partners) be reported in the appropriate line item in each company's financial statement and includes enhanced disclosure requirements regarding the nature and purpose of the arrangement, rights and obligations under the arrangement, accounting policy, amount and income statement classification of collaboration transactions between the parties. EITF No. 07-1 is effective January 1, 2009 and shall be applied retrospectively to all prior periods presented for all collaborative arrangements existing as of the effective date. We do not expect that the adoption of this statement will have a material effect on our consolidated results of operations or financial condition.

In March 2008, the FASB issued FAS No. 161, Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133. FAS No. 161 changes the disclosure requirements for derivative instruments and hedging activities. Entities are required to provide disclosures about (a) how and why derivative instruments are used, (b) how derivative instruments and related hedged items are accounted for under FAS No. 133, Accounting for Derivative Instruments and Hedging Activities, and its related interpretations, and (c) how derivative instruments and related hedged items affect the entity's financial position, financial performance, and cash flows. FAS No. 161 is effective January 1, 2009. We are currently evaluating the impact of adopting this statement.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the risk of adverse changes in the value of a financial instrument caused by changes in currency exchange rates, interest rates, and equity prices. We are exposed to market risks related to currency exchange rates and interest rates.

Currency exchange rate sensitivity. We are subject to the effects of fluctuations in currency exchange rates on various transactions and on the translation of the reported financial position and operating results of our non-U.S. companies from local currencies to U.S. dollars. A hypothetical 10% strengthening or weakening of the U.S. dollar would decrease or increase our reported sales and net income for the six months ended June 30, 2008 by approximately \$26.4 million and \$1.3 million, respectively. When appropriate, we may attempt to limit our transactional exposure to changes in currency exchange rates through contracts or other actions intended to reduce existing exposures by creating offsetting currency exposures. At June 30, 2008, contracts for the purpose of hedging cash flows were not significant.

Interest rate sensitivity. We are exposed to changes in interest rates primarily as a result of borrowing and investing activities used to maintain liquidity and fund business operations. Because of the relatively short maturities of temporary investments and the variable rate nature of industrial development debt, these financial instruments are reported at carrying values which approximate fair values.

We hold one interest rate swap agreement, which is used to hedge the fair market value on a portion of our 8.39% fixed rate long-term debt. At June 30, 2008, the swap agreement had a notional amount of \$20.0 million and a fair market value of \$0.1 million in favor of the bank. The swap will expire in 2012. The notional amount of the swap will decline \$4.0 million per year beginning in August 2008. A hypothetical increase of 10% in market interest rates would not have a significant effect on the fair value of the interest rate swap.

We have \$100.0 million of fixed rate debt which matures at various dates through 2021. The incremental increase in the fair value of fixed rate long term debt resulting from a hypothetical 10% decrease in interest rates would be approximately \$1.8 million, excluding the impact of outstanding hedge instruments. However, our sensitivity to interest rate declines and the corresponding increase in the fair value of our debt portfolio would unfavorably affect earnings and cash flows only to the extent that we elected to repurchase or retire all or a portion of our fixed rate debt portfolio at prices above carrying values.

Item 4. CONTROLS AND PROCEDURES

- (a) *Evaluation of disclosure controls and procedures.* Based on their evaluation as of the end of the period covered by this Form 10-Q, the Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.
- (b) *Changes in internal control.* There were no changes in the Company's internal control over financial reporting that occurred during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION**Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS****(c) Issuer Purchases of Equity Securities**

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs
April 1 – April 30, 2008	—	—	—	1,310,202
May 1 – May 31, 2008	12,473	\$ 39.55	—	1,180,898
June 1 – June 30, 2008	—	—	—	1,217,810

On November 2, 2005, the Board of Directors authorized the purchase of up to \$100 million of common stock from time to time in private transactions and on the open market. The share purchase program has no expiration date. The maximum shares that may yet be purchased is calculated based on the dollars remaining under the program and the respective month-end closing share price.

We do not have any other share repurchase programs.

Shares purchased during May 2008 related to stock compensation transactions.

Item 4. Submission of Matters to a Vote of Security Holders

The annual meeting of shareholders was held on May 13, 2008. The following matters were acted upon:

Election of Directors

William M. Lambert, Diane M. Pearse, and L. Edward Shaw, Jr. were elected to serve until the annual meeting in 2011 by the following votes:

	Votes For	Votes Withheld
William M. Lambert	31,975,512	4,298,227
Diane M. Pearse	36,032,481	241,258
L. Edward Shaw, Jr.	29,500,048	6,773,691

Thomas H. Witmer was elected to serve until the annual meeting in 2009 by the following votes:

	Votes For	Votes Withheld
Thomas H. Witmer	35,858,329	415,410

Directors whose term of office continued after the meeting are Robert A. Bruggeworth, James A. Cederna, Thomas B. Hotopp, John T. Ryan III, and John C. Unkovic.

Adoption of the 2008 Management Equity Incentive Plan

The 2008 Management Equity Incentive Plan was adopted by the following votes:

Votes For	Votes Against	Abstentions/Broker Nonvotes
30,064,674	1,251,485	4,957,580

Adoption of the 2008 Non-Employee Directors' Equity Incentive Plan

The 2008 Non-Employee Directors' Equity Incentive Plan was adopted by the following votes:

Votes For	Votes Against	Abstentions/Broker Nonvotes
28,858,049	2,453,622	4,962,068

Selection of Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP was selected as the independent registered public accounting firm for the year ending December 31, 2008 by the following votes:

Votes For	Votes Against	Abstentions/Broker Nonvotes
33,372,353	368,646	2,532,740

Item 6. EXHIBITS

(a) Exhibits

- 10.1* 2008 Management Equity Incentive Plan, filed as Exhibit 10.1 to Form 8-K dated May 13, 2008, is incorporated herein by reference
- 10.2* 2008 Non-Employee Directors' Equity Incentive Plan
- 10.3 Trust Agreement, effective June 1, 1996, as amended through May 13, 2008, between the registrant and PNC Bank, N.A. regarding the Mine Safety Appliances Company Stock Compensation Trust
- 31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a)
- 31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a)
- 32 Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. (S)1350

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

SIGNATURE

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.

July 28, 2008

MINE SAFETY APPLIANCES COMPANY

/s/ Dennis L. Zeitler

Dennis L. Zeitler

Senior Vice President — Finance;

Duly Authorized Officer and Principal Financial Officer

MINE SAFETY APPLIANCES COMPANY

2008 NON-EMPLOYEE DIRECTORS' EQUITY INCENTIVE PLAN

The purposes of the 2008 Non-Employee Directors' Equity Incentive Plan (the "Plan") are to promote the long-term success of Mine Safety Appliances Company (the "Company") by creating a long-term mutuality of interests between the non-employee Directors and shareholders of the Company, to provide an additional inducement for such Directors to remain with the Company and to provide a means through which the Company may attract able persons to serve as Directors of the Company.

**SECTION 1
Administration**

The Plan shall be administered by the Board of Directors of the Company (the "Board"), which may delegate some or all of its duties to a committee of the Board. The Board shall keep records of action taken at its meetings. A majority of the Board shall constitute a quorum at any meeting, and the acts of a majority of the members present at any meeting at which a quorum is present, or the unanimous consent in writing of the Board, shall be the acts of the Board.

The Board shall interpret the Plan and prescribe such rules, regulations and procedures in connection with the operations of the Plan as it shall deem to be necessary and advisable for the administration of the Plan consistent with the purposes of the Plan. All questions of interpretation and application of the Plan, or as to stock options or restricted stock awards granted under the Plan, shall be subject to the determination of the Board, which shall be final and binding.

Notwithstanding the above, the selection of the Directors to whom stock options and restricted stock awards are to be granted and the exercise price of any stock option shall be as hereinafter provided, and the Board shall have no discretion as to such matters.

**SECTION 2
Shares Available under the Plan**

The aggregate number of shares which may be issued and as to which grants of stock options and restricted stock awards may be made under the Plan is 400,000 shares of the Common Stock, without par value, of the Company (the "Common Stock"), subject to adjustment and substitution as set forth in Section 6. If any stock option granted under the Plan is cancelled by mutual consent or terminates or expires for any reason without having been exercised in full, the number of shares subject thereto shall again be available for purposes of the Plan. If shares of Common Stock are forfeited to the Corporation pursuant to the restrictions applicable to restricted stock, the shares so forfeited shall again be available for purposes of the Plan. The shares which may be issued under the Plan may be either authorized but unissued shares or treasury shares or partly each, as shall be determined from time to time by the Board.

**SECTION 3
Grant of Stock Options and Restricted Stock**

On the third business day following the day of each annual meeting of the shareholders of the Company (the "Grant Date"), each person who is then a member of the Board and who is not then an employee of the Company or any of its subsidiaries (a "non-employee Director") shall automatically and without further action by the Board be granted:

(1) a "nonstatutory stock option" (*i.e.*, a stock option which does not qualify under Section 422 of the Internal Revenue Code of 1986 (the "Code")) to purchase a number of shares of Common Stock determined by dividing 75% of the amount of the annual Director's retainer then in effect by the Grant Date per share value of the option as determined by the Company under the Black-Scholes option pricing model; and

(2) a number of restricted shares of Common Stock ("restricted stock") determined by dividing 125% of the amount of the annual Director's retainer then in effect by the Fair Market Value of a share of Common Stock on the Grant Date.

The numbers of shares determined under the above formulas shall be rounded to the nearest whole share. If on any Grant Date the number of shares remaining available under the Plan is not sufficient for each non-employee Director to be granted the full number of options and shares of restricted stock provided in this Section, then the available shares shall be allocated among the options and shares of restricted stock to be granted to each non-employee Director in proportion to the amounts determined under the above formulas, disregarding any fractions of a share.

Notwithstanding the foregoing, the amounts and/or mix of awards set forth above may be adjusted by the Board in its discretion.

SECTION 4
Terms and Conditions of Stock Options

Stock options granted under the Plan shall be subject to the following terms and conditions:

(A) The purchase price at which each stock option may be exercised (the "option price") shall be one hundred percent (100%) of the Fair Market Value per share of the Common Stock covered by the stock option on the Grant Date.

(B) At the discretion of, and in accordance with rules established by the Board, the option price of each stock option may be paid (i) by one or any combination of the following: in cash or the tender of Common Stock already owned by the Participant for more than six months (or such other period of time as the Board deems appropriate) having a Fair Market Value on the date of exercise equal to the option price for the shares being purchased or (ii) by providing cash forwarded through a broker or other agent-sponsored exercise or financing program or (iii) through such other means as the Board determines are consistent with the Plan's purpose and applicable law. No fractional shares will be issued or accepted.

(C) Subject to the terms of Section 4(E) providing for earlier termination of a stock option, no stock option shall be exercisable after the expiration of ten years from the Grant Date. A stock option to the extent exercisable at any time may be exercised in whole or in part.

(D) No stock option shall be transferable by the grantee otherwise than by Will, or if the grantee dies intestate, by the laws of descent and distribution of the state of domicile of the grantee at the time of death. All stock options shall be exercisable during the lifetime of the grantee only by the grantee or the grantee's guardian or legal representative.

(E) Subject to Section 4(C), unless the Board determines otherwise, if a grantee ceases to be a Director of the Company for any reason, any outstanding stock options held by the grantee shall be exercisable and shall terminate according to the following provisions:

(i) If a grantee ceases to be a Director of the Company for Retirement or for any reason other than resignation, removal for cause, death or Disability, any then outstanding stock option held by such grantee shall be exercisable by the grantee (whether or not exercisable by the grantee immediately prior to ceasing to be a Director) at any time prior to the expiration date of such stock option or within five years after the date the grantee ceases to be a Director, whichever is the shorter period;

(ii) If during his term of office as a Director a grantee resigns from the Board (other than by Retirement) or is removed from office for cause, any outstanding stock option held by the grantee which is not exercisable by the grantee immediately prior to resignation or removal shall terminate as of the date of resignation or removal, and any outstanding stock option held by the grantee which is exercisable by the grantee immediately prior to resignation or removal shall be exercisable by the grantee at any time prior to the expiration date of such stock option or within 90 days after the date of resignation or removal, whichever is the shorter period;

(iii) Following the death or Disability of a grantee during service as a Director of the Company, any outstanding stock option held by the grantee at the time of death or termination of service by reason of Disability (whether or not exercisable by the grantee immediately prior to death or termination of service) shall be exercisable by the grantee or person entitled to do so under the Will of the grantee, as the case may be, or, if the grantee shall fail to make testamentary disposition of the stock option or shall die intestate, by the legal representative of the grantee at any time prior to the expiration date of such stock option or within five years after the date of death or termination of service by reason of Disability, whichever is the shorter period;

(iv) Following the death of a grantee after ceasing to be a Director and during a period when a stock option is exercisable, any outstanding stock option held by the grantee at the time of death shall be exercisable by such person entitled to do so under the Will of the grantee or by such legal representative (but only to the extent the stock option was exercisable by the grantee immediately prior to the death of the grantee) within five years after the date of death or, if applicable, within the period provided in Section 4(E)(i), whichever is the longer period, but not later than the expiration date of such stock option.

A stock option held by a grantee who has ceased to be a Director of the Company shall terminate upon the expiration of the applicable exercise period, if any, specified in this Section 4(E).

(F) All stock options shall be confirmed by an agreement, or an amendment thereto, which shall be executed on behalf of the Company by the Chief Executive Officer (if other than the President), the President or any Vice President and by the grantee.

(G) The obligation of the Company to issue shares of the Common Stock under the Plan shall be subject to (i) the effectiveness of a registration statement under the Securities Act of 1933, as amended, with respect to such shares, if deemed necessary or appropriate by counsel for the Company, (ii) the condition that the shares shall have been listed (or authorized for listing upon official notice of issuance) upon each stock exchange, if any, on which the Common Stock shares may then be listed and (iii) all other applicable laws, regulations, rules and orders which may then be in effect.

Subject to the foregoing provisions of this Section 4 and the other provisions of the Plan, any stock option granted under the Plan may be subject to such restrictions and other terms and conditions, if any, as shall be determined, in its discretion, by the Board and set forth in the agreement referred to in Section 4(F), or an amendment thereto.

SECTION 5 Terms and Conditions of Restricted Stock

Unless the Board determines otherwise, restricted stock awards granted under the Plan shall be subject to the following terms and conditions:

(A) As of the Grant Date of the restricted stock award, certificates representing the shares of restricted stock shall be issued in the name of the Director and held by the Company in escrow until the earlier of the forfeiture of the shares of restricted stock to the Company or the lapse of the service restriction with respect to such shares. The Director shall execute and deliver to the Company a blank stock power in form acceptable to the Company with respect to each of the certificates representing the shares of restricted stock. Such stock power shall be returned to the Director if the service restriction lapses with respect to the shares to which the stock power relates.

(B) The Director shall not sell, exchange, assign, alienate, pledge, hypothecate, encumber, charge, give, transfer or otherwise dispose of, either voluntarily or by operation of law, any shares of restricted stock, or any rights or interests appertaining thereto, prior to the lapse of the service restriction imposed thereon and the issuance or transfer to the Director of certificates with respect to such shares.

(C) As of the Grant Date, the Director shall be a shareholder of the Company with respect to the restricted stock and shall have all the rights of a shareholder with respect to the restricted stock, including the right to vote the restricted stock and to receive all dividends and other distributions paid with respect to such restricted stock, subject to the restrictions of the Plan and the restricted stock agreement, including without limitation the restriction that, with the exception of dividends and distributions payable in cash, all dividends and distributions on the restricted stock, whether paid in Common Stock or other securities or property will be held in escrow subject to the same restrictions as the restricted stock.

(D) If the Director's service as a Director of the Company terminates for any reason, other than as a result of the Director's death, Disability or Retirement, prior to the date of the third Annual Meeting of Shareholders of the Company following the Grant Date, then 100% of the shares of restricted stock awarded on the Grant Date shall, upon such termination of service and without any further action, be forfeited to the Company by the Director and cease to be issued and outstanding shares of Common Stock.

(E) If the Director remains a Director of the Company until the date of the third Annual Meeting following the Grant Date and the shares of restricted stock have not been previously forfeited to the Company pursuant to Section 5(D), the service restriction on 100% of the shares of restricted stock originally awarded on that Grant Date shall lapse, and a certificate representing such shares shall be issued or transferred by the Company to the Director. If the Director's service with the Company or a Subsidiary terminates as a result of the Director's death, Disability or Retirement, the service restriction imposed on any shares of restricted stock set forth above which have not been previously forfeited to the Company pursuant to Section 5(D) and on which the service restriction has not previously lapsed shall lapse, and a certificate representing such shares shall be issued or transferred by the Company to the Director (or the Director's personal representative).

(F) Each certificate representing shares of restricted stock shall have noted on the face of such certificate the following legend:

“Notice is hereby given that the shares of stock represented by this certificate are held subject to, and may not be transferred except in accordance with, the Mine Safety Appliances Company 2008 Non-Employee Directors' Equity Incentive Plan and a restricted stock agreement executed thereunder, copies of which are on file at the office of Mine Safety Appliances Company.”

(G) All restricted stock awards shall be confirmed by an agreement, or an amendment thereto, which shall be executed on behalf of the Company by the Chief Executive Officer (if other than the President), the President or any Vice President and by the grantee.

Subject to the foregoing provisions of this Section 5 and the other provisions of the Plan, any restricted stock award granted under the Plan may be subject to such additional restrictions and other terms and conditions, if any, as shall be determined, in its discretion, by the Board and set forth in the agreement referred to in Section 5(G), or an amendment thereto.

SECTION 6

Adjustment and Substitution of Shares

If a dividend or other distribution shall be declared upon the Common Stock payable in shares of the Common Stock, the number of shares of the Common Stock set forth in Section 3, the number of shares of the Common Stock then subject to any outstanding stock options and the number of shares of the Common Stock which may be issued under the Plan but are not then subject to outstanding stock options or restricted stock awards shall be adjusted by adding thereto the number of shares of the Common Stock which would have been distributable thereon if such shares had been outstanding on the date fixed for determining the shareholders entitled to receive such stock dividend or distribution. Shares of Common Stock so distributed with respect to any restricted stock held in escrow shall also be held by the Company in escrow and shall be subject to the same restrictions as are applicable to the shares of restricted stock on which they were distributed.

If the outstanding shares of the Common Stock shall be changed into or exchangeable for a different number or kind of shares of stock or other securities of the Company or another corporation, or cash or other property, whether through reorganization, reclassification, recapitalization, stock split-up, combination of shares, merger or consolidation, then there shall be substituted for each share of the Common Stock set forth in Section 3, for each share of the Common Stock subject to any then outstanding stock option, and for each share of the Common Stock which may be issued under the Plan but which is not then subject to any outstanding stock option or restricted stock award, the number and kind of shares of stock or other securities (and in the case of outstanding options, the cash or other property) into which each outstanding share of the Common Stock shall be so changed or for which each such share shall be exchangeable. Unless otherwise determined by the Board in its discretion, any such stock or securities, as well as any cash or other property, into or for which any restricted stock held in escrow shall be changed or exchangeable in any such transaction shall also be held by the Company in escrow and shall be subject to the same restrictions as are applicable to the restricted stock in respect of which such stock, securities, cash or other property was issued or distributed.

Subject to any required action by the Company's shareholders, upon the occurrence of any other event which affects the outstanding shares of Common Stock in such a way that an adjustment of outstanding awards is appropriate in order to prevent the dilution or enlargement of rights under the awards (including, without limitation, any extraordinary dividend or other distribution, whether in cash or in kind), the Board shall make appropriate equitable adjustments, which may include, without limitation, adjustments to any or all of the number and kind of shares (or other securities) which may thereafter be issued in connection with such outstanding awards and adjustments to the exercise price of outstanding stock options and shall also make appropriate equitable adjustments to the number and kind of shares (or other securities) authorized by or to be granted under the Plan.

In case of any adjustment or substitution as provided for in this Section 6, the aggregate option price for all shares subject to each then outstanding stock option prior to such adjustment or substitution shall be the aggregate option price for all shares of stock or other securities (including any fraction) to which such shares shall have been adjusted or which shall have been substituted for such shares. Any new option price per share shall be carried to at least three decimal places with the last decimal place rounded upwards to the nearest whole number.

No adjustment or substitution provided for in this Section 6 shall require the Company to issue or sell a fraction of a share or other security. Accordingly, all fractional shares or other securities which result from any such adjustment or substitution shall be eliminated and not carried forward to any subsequent adjustment or substitution.

SECTION 7

Effect of the Plan on the Rights of Company and Shareholders

Nothing in the Plan, in any stock option or restricted stock award granted under the Plan, or in any stock option or restricted stock agreement shall confer any right to any person to continue as a Director of the Company or interfere in any way with the rights of the shareholders of the Company or the Board of Directors to elect and remove Directors.

SECTION 8
Amendment and Termination

The right to amend the Plan at any time and from time to time and the right to terminate the Plan at any time are hereby specifically reserved to the Board; provided always that no such termination shall terminate any outstanding stock options granted under the Plan; and provided further that no amendment of the Plan shall (a) be made without shareholder approval if shareholder approval of the amendment is at the time required for stock options under the Plan to qualify for the exemption from Section 16(b) of the Exchange Act provided by Rule 16b-3 or by the rules of any stock exchange on which the Common Stock may then be listed or (b) otherwise amend the Plan in any manner that would cause stock options or restricted stock awards under the Plan not to qualify for the exemption provided by Rule 16b-3. No amendment or termination of the Plan shall, without the written consent of the holder of a stock option or restricted stock award theretofore awarded under the Plan, adversely affect the rights of such holder with respect thereto.

Notwithstanding anything contained in the preceding paragraph or any other provision of the Plan or any stock option or restricted stock agreement, the Board shall have the power to amend the Plan in any manner deemed necessary or advisable for stock options and restricted stock awards granted under the Plan to qualify for the exemption provided by Rule 16b-3 (or any successor rule relating to exemption from Section 16(b) of the Exchange Act), and any such amendment shall, to the extent deemed necessary or advisable by the Board, be applicable to any outstanding stock options and restricted stock awards theretofore granted under the Plan notwithstanding any contrary provisions contained in any stock option or restricted stock agreement. In the event of any such amendment to the Plan, the holder of any stock option or restricted stock award outstanding under the Plan shall, upon request of the Board and as a condition to the exercisability of such option or the retention of such restricted stock award, execute a conforming amendment in the form prescribed by the Board to the stock option agreement or the restricted stock agreement, as the case may be, within such reasonable time as the Board shall specify in such request. Except as provided in Section 6 of the Plan, the purchase price of any outstanding stock option may not be reduced, whether through amendment, cancellation or replacement in exchange with another stock option, other award or cash payment, unless such action or reduction is approved by the shareholders of the Company.

SECTION 9
Effective Date and Duration of Plan

The Plan shall become effective upon the approval of a majority of the votes cast at a duly held meeting of shareholders at which a quorum representing a majority of the outstanding voting stock of the Company is, either in person or by proxy, present and voting, within twelve (12) months after the date the Plan is initially adopted by the Board, contingent upon shareholder approval thereof. Subject to obtaining such approval, the Board shall have authority to grant awards hereunder from the effective date until the tenth (10th) anniversary of the effective date, subject to the ability of the Board to terminate the Plan as provided in Section 4 hereof.

SECTION 10
Change in Control

Notwithstanding any other provision of the Plan to the contrary, immediately prior to any Change in Control of the Company (as defined in Section 11), all stock options which are then outstanding hereunder shall become fully vested and exercisable, and all restrictions with respect to shares of restricted stock awarded hereunder shall lapse, and such shares shall be fully vested and nonforfeitable. As used in the immediately preceding sentence, "immediately prior" to the Change in Control shall mean sufficiently in advance of the Change in Control to permit the grantee to take all steps reasonably necessary to exercise the option fully and to deal with the shares purchased under the option and the restricted stock released from restriction so that those shares may be treated in the same manner in connection with the Change in Control as the shares of Common Stock of other shareholders.

SECTION 11
Definitions

In addition to terms defined elsewhere herein, as used in the Plan:

Beneficial Owner shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

A *Change in Control* shall be deemed to have occurred if the event set forth in any one of the following four paragraphs shall have occurred:

(I) any Person (as defined in this Section 11) is or becomes the Beneficial Owner (as defined in this Section 11), directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates (which term shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act, as defined in this Section 11)) representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (I) of paragraph (III) below; or

(II) the following individuals cease for any reason to constitute a majority of the number of Directors then serving: individuals who, on February 28, 2008, constitute the Board and any new Director (other than a Director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of Directors of the Company) whose appointment or election by the Board or nomination for election by the Company's shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the Directors then still in office who either were Directors on February 28, 2008 or whose appointment, election or nomination for election was previously so approved or recommended; or

(III) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary of the Company, at least fifty-one percent (51%) of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities; or

(IV) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least fifty-one percent (51%) of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, a Change in Control shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

Disability shall mean that the Director is disabled within the meaning of Section 22(e)(3) of the Code. Whether a grantee is so disabled shall be determined, in its discretion, by the Board, and any such determination by the Board shall be final and binding.

Exchange Act shall mean the Securities and Exchange Act of 1934, as amended from time to time.

Fair Market Value of a share of Common Stock, unless otherwise provided in the applicable award agreement, means:

- (I) If the Common Stock is admitted to trading on one or more national securities exchanges, such as the New York Stock Exchange or the NASDAQ Stock Exchange;
 - (A) the closing price per share as reported on the reporting system selected by the Committee on the relevant date; or
 - (B) in the absence of reported sales on that date, the closing price per share on the next day for which there is a reported sale; or
- (II) If the Common Stock is not admitted to trading on any national securities exchange, but is admitted to quotation on NASDAQ as an “over the counter” traded security, the average of the highest bid and lowest asked prices per share on the relevant date; or
- (III) If the preceding clauses (I) and (II) do not apply, the Fair Market Value determined by the Board, using such criteria as it shall determine, in good faith and in its sole discretion, to be appropriate for such valuation.

Person shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (I) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company, or (v) any individual or entity (including the trustees (in such capacity) of any such entity which is a trust) which is, directly or indirectly, the Beneficial Owner of securities of the Company representing five percent (5%) or more of the combined voting power of the Company’s then outstanding securities immediately before the date hereof or any Affiliate of any such individual or entity, including, for purposes of this Plan, any of the following: (A) any trust (including the trustees thereof in such capacity) established by or for the benefit of any such individual; (B) any charitable foundation (whether a trust or a corporation, including the trustees or directors thereof in such capacity) established by any such individual; (C) any spouse of any such individual; (D) the ancestors (and spouses) and lineal descendants (and spouses) of such individual and such spouse; (E) the brothers and sisters (whether by the whole or half blood or by adoption) of either such individual or such spouse; or (F) the lineal descendants (and their spouses) of such brothers and sisters.

Retirement shall mean a termination of a Director’s service on the Board on or after the date that (1) the Director has completed at least 5 years of service as a Director and (2) the Director’s combined age and service as a Director satisfy the “Rule of 75.” The “Rule of 75” shall be satisfied when the sum of the Director’s age (measured in full and partial years, in increments of one-twelfth (1/12) year) and the Director’s years of service as a Director (measured in full and partial years, in increments of one-twelfth (1/12) year) equals or exceeds 75.

MINE SAFETY APPLIANCES COMPANY

STOCK COMPENSATION TRUST

Effective as of June 1, 1996

As amended through

May 13, 2008

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MINE SAFETY APPLIANCES COMPANY

STOCK COMPENSATION TRUST

THIS TRUST AGREEMENT (the "Agreement") made effective as of June 1, 1996, between Mine Safety Appliances Company, a Pennsylvania corporation, and PNC Bank, N.A., as trustee.

WITNESSETH:

WHEREAS, the Company (as defined below) desires to establish a trust (the "Trust") in accordance with the laws of the Commonwealth of Pennsylvania and for the purposes stated in this Agreement;

WHEREAS, the Trustee (as defined below) desires to act as trustee of the Trust, for the purposes hereinafter stated and in accordance with the terms hereof;

WHEREAS, the Company or its subsidiaries have previously adopted the Plans (as defined below);

WHEREAS, the Company desires to provide assurance of the availability of the shares of its common stock necessary to satisfy certain of its obligations or those of its subsidiaries under the Plans (as defined below);

WHEREAS, the Company desires that the assets to be held in the Trust Fund (as defined below) should be principally or exclusively securities of the Company and, therefore, expressly waives any diversification of investments that might otherwise be necessary, appropriate, or required pursuant to applicable provisions of law, if any; and

WHEREAS, PNC Bank, N.A., has been appointed as trustee and has accepted such appointment as of the date set forth first above;

NOW, THEREFORE, the parties hereto hereby establish the Trust and agree that the Trust will be comprised, held and disposed of as follows:

ARTICLE 1.

Trust, Trustee and Trust Fund

1.1. Trust. This Agreement and the Trust shall be known as the Mine Safety Appliances Company Stock Compensation Trust. The parties intend that the Trust will be an independent legal entity with title to and power to convey all of its assets. The parties hereto further intend that the trust not be subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Trust is not a part of any of the Plans (as herein defined). The assets of the Trust will be held, invested and disposed of by the Trustee, in accordance with the terms of the Trust. The Company will not knowingly take any action that would cause the assets held pursuant to the Trust to become "plan assets" within the meaning of ERISA without so advising the Trustee. The Trust is intended to be a "grantor trust" within the meaning of Section 671 of the Internal Revenue Code of 1986.

1.2. Trustee. The trustee named above, and its successor or successors, is hereby designated as the trustee hereunder, to receive, hold, invest, administer and distribute the Trust Fund in accordance with this Agreement, the provisions of which shall govern the power, duties and responsibilities of the Trustee.

1.3. Trust Fund. The assets held at any time and from time to time under the Trust collectively are herein referred to as the "Trust Fund" and shall consist of contributions received by the Trustee, proceeds of any loans, investments and reinvestment thereof, the earnings and income thereon, less disbursements therefrom. Except as herein otherwise provided, title to the assets of the Trust Fund shall at all times be vested in the Trustee and securities that are part of the Trust Fund shall be held in such manner that the Trustee's name and the fiduciary capacity in which the securities are held are fully disclosed, subject to the right of the Trustee to hold title in bearer form or in the name of a nominee, and the interests of others in the Trust Fund shall be only the right to have such assets received, held, invested, administered and distributed in accordance with the provisions of the Trust.

1.4. Trust Fund Subject to Claims. Notwithstanding any provision of this Agreement to the contrary, the Trust Fund shall at all times remain subject to the claims of the Company's general creditors under federal and state law.

In addition, the Board of Directors and Chief Executive Officer of the Company shall have the duty to inform the Trustee in writing of the Company's Insolvency (as defined below). If a person claiming to be a creditor of the Company alleges in writing to the Trustee that the Company has become Insolvent, the Trustee shall determine whether the Company is Insolvent and, pending such determination, the Trustee shall discontinue allocations pursuant to Article 3.

Unless the Trustee has actual knowledge of the Company's Insolvency, or has received notice from the Company or a person claiming to be a creditor alleging that the Company is Insolvent, the Trustee shall have no duty to inquire whether the Company is Insolvent. The Trustee may in all events rely on such evidence concerning the Company's solvency as may be furnished to the Trustee and that provides the Trustee with a reasonable basis for making a determination concerning the Company's Insolvency.

If at any time the Trustee has determined that the Company is Insolvent, the Trustee shall discontinue allocations pursuant to Article 3 and shall hold the Trust Fund for the benefit of the Company's general creditors. Nothing in this Trust Agreement shall in any way diminish any rights of employees as general creditors of the Company with respect to benefits due under the Plans or otherwise.

The Trustee shall resume allocations pursuant to Article 3 only after the Trustee has determined that the Company is not Insolvent or is no longer Insolvent as the case may be.

1.5. Use of Trust. The Trust Fund shall be used for the exclusive purpose of aiding the Company in delivering the benefits provided by the Plans and defraying the expenses of the Trust in accordance with this Trust Agreement. The Company may terminate the Trust in accordance with Section 8.2 hereof, but, income or corpus of the Trust Fund is recoverable by the Company only as provided in Section 2.2 and 8.2.

1.6. Definitions. In addition to the terms defined in the preceding portions of the Trust, certain capitalized terms have the meanings set forth below:

Board of Directors. "Board of Directors" means the board of directors of the Company.

Change of Control. “Change of Control” means any of the following events:

(a) an acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of the combined voting power of the then outstanding voting securities of the Company; provided, however, that the following acquisitions shall not constitute a Change of Control: (i) an acquisition by or directly from the Company, (ii) an acquisition by any employee benefit plan or trust sponsored or maintained by the Company; and (iii) any acquisition described in subclauses (A) or (B) of subsection (b) below; or

(b) approval by the stockholders of the Company of (i) a complete dissolution or liquidation of the Company, (ii) a sale or other disposition of all or substantially all of the Company’s assets or (iii) a reorganization, merger, or consolidation (“Business Combination”) unless either (A) all or substantially all of the stockholders of the Company immediately prior to the Business Combination own more than 50% of the voting securities of the entity surviving the Business Combination, or the entity which directly or indirectly controls such surviving entity, in substantially the same pro-portion as they owned the voting securities of the Company immediately prior thereto, or (B) the consideration (other than cash paid in lieu of fractional shares or payment upon perfection of appraisal rights) issued to stockholders of the Company in the Business Combination is solely common stock which is publicly traded on an established securities exchange in the United States.

Code. “Code” means the Internal Revenue Code of 1986, as amended.

Committee. “Committee” means a committee of officers or other individuals, subject to Section 9.2, appointed by the Board of Directors from time to time to administer the Trust.

Company. “Company” means Mine Safety Appliances Company, a Pennsylvania corporation, or any successor thereto. References to the Company shall include its subsidiaries where appropriate.

Company Stock. “Company Stock” means shares of common stock, no par value, issued by the Company or any successor securities.

Extraordinary Dividend. “Extraordinary Dividend” means any dividend or other distribution of cash or other property (other than Company Stock) made with respect to Company Stock, which the Board of Directors declares generally to be other than an ordinary dividend.

Fair Market Value. “Fair Market Value” means as of any date the closing price quotation, or, if none, the average of the bid and asked prices, as reported with respect to the Company Stock on the most recently available date, on any national exchange on which the Company Stock is then listed, or if not so listed, on the NASDAQ National Market, or other consolidated reporting system reporting trades of the Company Stock. If the Company Stock is not so listed, “Fair Market Value” shall mean the average of the bid and asked prices as quoted by all market makers in the Company Stock. In the event that a market for the Company Stock does not exist, the Committee may determine, in any case or cases, that “Fair Market Value” shall be determined on the basis of the opinion of one or more independent and reputable appraisers qualified to value companies in the Company’s line of business.

Insolvency. “Insolvency” means (i) the inability of the Company to pay its debts as they become due, or (2) the Company being subject to a pending proceeding as a debtor under the provisions of Title 11 of the United States Code (Bankruptcy Code).

Loan. “Loan” means the loan and extension of credit to the Trust evidenced by a promissory note dated as of the date of the Closing (as defined in the Stock Purchase Agreement dated June 4, 1996 between the Trust and the Company), with which the Trustee will purchase Company Stock.

Option Grant. "Option Grant" means an option granted under one of the Plans to a Plan Participant to acquire shares of Company Stock.

Plan Committee Certification. "Plan Committee Certification" means a certification to be provided to the Trustee by the Committee from time to time which (i) sets forth the number of shares of Company Stock to be transferred to a Plan Participant, and (ii) certifies that the determination of such number is in accordance with the terms of each Plan.

Plans. "Plans" means the employee plans listed on Schedule A hereto and any other employee benefit plan of the Company or its subsidiaries designated as such by the Board of Directors.

Plan Participant. "Plan Participant" means an individual who has an Option Grant under any of the Plans.

Suspense Account. "Suspense Account" means the account in which shares of Company Stock acquired with the Loan are held until they are released pursuant to Section 3.1.

Trustee. "Trustee" means PNC Bank, N.A., or any successor trustee.

Trust Year. "Trust Year" means the period beginning on the date of the Closing (the "Closing Date") and ending on the next following December 31st and on each December 31st thereafter.

ARTICLE 2.

Contributions and Dividends

2.1. Contributions. For each Trust Year the Company shall contribute to the Trust in cash such amount, which together with dividends, as provided in Section 2.2, and any other earnings of the Trust, shall enable the Trustee to make all payments of principal and interest due under the Loan on a timely basis. Unless otherwise expressly provided herein, the Trustee shall apply all such contributions, dividends and earnings to the payment of principal and interest due under the Loan. If, at the end of any Trust Year, no such contribution has been made in cash, such contribution shall be deemed to have been made in the form of forgiveness of principal and interest on the Loan to the extent of the Company's failure to make contributions as required by this Section 2.1. The Company may from time to time, in its sole discretion, make additional contributions to the Trust for the purpose of enabling the Trust to make prepayments of principal with respect to the Loan (a "Prepayment Contribution"). The Trustee shall immediately use any Prepayment Contribution to make a prepayment of principal with respect to the Loan. All contributions made under the Trust shall be delivered to the Trustee. The Trustee shall be accountable for all contributions received by it, but shall have no duty to require any contributions to be made to it.

2.2. Dividends. Except as otherwise provided herein, dividends paid in cash on Company Stock held by the Trust, including Company Stock held in the Suspense Account, shall be applied to pay interest and repay scheduled principal due under the Loan. In the event that dividends paid on Company Stock held in the Trust, other than Extraordinary Dividends, exceed the amount of scheduled principal and interest due in any Trust Year, such excess shall be used to purchase additional shares of Company Stock and/or shall be distributed to a broad cross-section of individuals employed by the Company, as determined in good faith by the Committee. Dividends which are not in cash or in Company Stock (including Extraordinary Dividends, or portions thereof) shall be reduced to cash by the Trustee and reinvested in Company Stock as soon as practicable. For purposes of this Agreement, Company Stock purchased with the proceeds of an Extraordinary Dividend, any excess dividend or with the proceeds of a non-cash dividend shall for purposes of this Agreement (including without limitation Section 3.1 hereof), be deemed to have been acquired with the proceeds of the Loan. In the Trustee's discretion, investments in Company Stock may be made through open-market purchases, private transactions or (with the Company's consent) purchases from the Company.

ARTICLE 3.

Release and Allocation of Company Stock

3.1. Release of Shares. Upon any payment (including a prepayment) or forgiveness in any Trust Year of any principal on the Loan (a "Principal Payment"), the following number of shares of Company Stock acquired with the proceeds of the Loan shall be available for allocation ("Available Shares") as provided in this Article 3: the number of shares so acquired and held in the Suspense Account immediately before such payment or forgiveness, multiplied by a fraction the numerator of which is the amount of the Principal Payment and the denominator of which is the sum of such Principal Payment and the remaining principal of the Loan outstanding after such Principal Payment.

3.2. Allocations. Available Shares shall be allocated as directed by a Plan Committee Certification to the Plan Participants at such times as may be required to provide shares in accordance with the Plans.

ARTICLE 4.

Compensation, Expenses and Tax Withholding

4.1. Compensation and Expenses. The Trustee shall be entitled to such reasonable compensation for its services as may be agreed upon from time to time by the Company and the Trustee and to be reimbursed for its reasonable legal, accounting and appraisal fees, out-of-pocket expenses and other charges reasonably incurred in connection with the administration, management, investment and distribution of the Trust Fund. Such compensation shall be paid, and such reimbursement shall be made out of the Trust Fund. The Company agrees to make sufficient contributions to the Trust to pay such amounts owing the Trustee in addition to those contributions required by Section 2.1 and, in the event the Company fails to make the contributions necessary to pay amounts owing to the Trustee, the Trustee shall be entitled to seek payment directly from the Company or the Trust Fund.

4.2. Withholding of Taxes. The Trustee may withhold, require withholding, or otherwise satisfy its withholding obligation, on any distribution which it is directed to make. The amount to be withheld shall be such amount as the Company advises the Trustee it reasonably estimates to be necessary to comply with applicable federal, state and local withholding requirements. Upon determination of the tax withholding liability, the Trustee shall distribute the balance of the distribution to the appropriate Participant and deliver to the Company the amount necessary to satisfy any withholding obligation. The Company will then deliver the withholding amount to the appropriate governmental entity. Prior to making any distribution hereunder, the Trustee may require such indemnity, as the Trustee shall reasonably deem necessary for its protection.

ARTICLE 5.

Administration of Trust Fund

5.1. Management and Control of Trust Fund. Subject to the terms of this Agreement, the Trustee shall have exclusive authority and responsibility to manage and control the assets of the Trust Fund. The Trustee's duties shall be limited to those duties specified in this Agreement.

5.2. Investment of Funds. Except as otherwise provided in Section 2.2 and in this Section 5.2, the Trustee shall invest and reinvest the Trust Fund exclusively in Company Stock, including any accretions thereto resulting from the proceeds of a tender offer, recapitalization or similar transaction which, if not in Company Stock, shall be reduced to cash as soon as practicable. To the extent the Trust Fund is invested in Company Stock, the Company waives any diversification of investments that might otherwise be necessary, appropriate or required pursuant to applicable law. The Trustee will invest any portion of the Trust Fund temporarily pending investment in Company stock, distribution or payment of expenses as directed by the Company. Company acknowledges that the investment vehicle selected by Company may include mutual funds from which Trustee or an affiliate or related entity receives compensation for providing investment advisory, transfer agency, custodial or other services.

5.3. Trustee's Administrative Powers. Except as otherwise provided herein, and subject to the Trustee's duties hereunder, the Trustee shall have the following powers and rights, in addition to those provided elsewhere in this Agreement or by law:

(a) to retain any asset of the Trust Fund;

(b) subject to Section 5.4 and Article 3, to sell, transfer, mortgage, pledge, lease or otherwise dispose of, or grant options with respect to, any Trust Fund assets at public or private sale;

(c) upon direction from the Committee, to borrow from any lender (including the Company pursuant to the Loan), to acquire Company Stock at Fair Market Value as authorized by this Agreement, to enter into lending agreements upon such terms (including reasonable interest and security for the loan and rights to renegotiate and prepay such loan) as may be determined by the Committee; provided, however, that any collateral given by the Trustee for the Loan shall be limited to cash and property contributed by the Company to the Trust and dividends paid on Company Stock held in the Trust and shall not include Company Stock acquired with the proceeds of Loan;

(d) with the consent of the Committee, to settle, submit to arbitration, compromise, contest, prosecute or abandon claims and demands in favor of or against the Trust Fund;

(e) to vote or to give any consent with respect to any securities, including any Company Stock, held by the Trust either in person or by proxy for any purpose, provided that the Trustee shall vote, tender or exchange all shares of Company Stock as provided in Section 5.4;

(f) to exercise any of the powers and rights of an individual owner with respect to any asset of the Trust Fund and to perform any and all other acts that in its judgment are necessary or appropriate for the proper administration of the Trust Fund, even though such powers, rights and acts are not specifically enumerated in this Agreement;

(g) to employ such accountants, actuaries, investment bankers, appraisers, other advisors and agents as may be reasonably necessary in collecting, managing, administering, investing, valuing, distributing and protecting the Trust Fund or the assets thereof or any borrowings of the Trustee made in accordance with Section 5.3(c); and to pay their reasonable fees and out-of-pocket expenses, which shall be deemed to be expenses of the Trust and for which the Trustee shall be reimbursed in accordance with Section 4.1;

(h) to cause any asset of the Trust Fund to be issued, held or registered in the Trustee's name or in the name of its nominee, or in such form that title will pass by delivery, provided that the records of the Trustee shall indicate the true ownership of such asset;

(i) to utilize another entity as custodian to hold, but not invest or otherwise manage or control, some or all of the assets of the Trust Fund; and

(j) to consult with legal counsel (who may also be counsel for the Trustee generally) with respect to any of its duties or obligations hereunder; and to pay the reasonable fees and out-of-pocket expenses of such counsel, which shall be deemed to be expenses of the Trust and for which the Trustee shall be reimbursed in accordance with Section 4.1.

Notwithstanding the foregoing, neither the Trust nor the Trustee shall have any power to, and shall not, engage in any trade or business.

5.4. Voting and Tendering of Company Stock.

(a) Voting of Company Stock. The Trustee shall follow the directions of each Plan Participant other than Plan Participants who are members of the Board of Directors of the Company (such non-members being hereinafter the "Directing Plan Participants"), as to the manner in which shares of Company Stock held by the Trust are to be voted on each matter brought before an annual or special stockholders' meeting of the Company or the manner in which any consent is to be executed, in each case as provided below. Before each such meeting of stockholders, the Trustee shall cause to be furnished to each Directing Plan Participant, a copy of the proxy solicitation material received by the Trustee, together with a form requesting confidential instructions as to how to vote the shares of Company Stock held by the Trustee. Upon timely receipt of directions from the Directing Plan Participants, the Trustee shall on each such matter vote the number of shares (including fractional shares) of Company Stock held by the Trust as follows:

The Company Stock shall be voted by the Trustee as directed by the Directing Plan Participants with each Directing Plan Participant directing a number of shares of Company Stock (the "Participant Directed Amount") equal to the quotient of (x) the total number of shares of Company Stock held by the Trust and (y) the number of Directing Plan Participants on the relevant date. Any Shares for which the Trustee does not receive a signed voting-direction instrument shall be voted for, against or to abstain in the same proportions as those shares of Company Stock for which the Trustee did receive instructions.

Similar provisions shall apply in the case of any action by shareholder consent without a meeting.

(b) Tender or Exchange of Company Stock. The Trustee shall use its best efforts timely to distribute or cause to be distributed to each Plan Participant any written materials distributed to stockholders of the Company generally in connection with any tender offer or exchange offer, together with a form requesting confidential instructions as to whether or not to tender or exchange shares of Company Stock held in the Trust. Upon timely receipt of instructions from a Directing Plan Participant, the Trustee shall tender such Directing Participant's Participant Directed Amount if such Directing Plan Participant has directed the Trustee to tender. The Company will cooperate in registering the Company Stock held by the Trust which is the subject of a tender or exchange offer. The Company shall be responsible for all expenses incurred in connection with the registration of such Company Stock.

(c) The Company shall maintain appropriate procedures to ensure that all instructions by Directing Plan Participants in the Plans are collected, tabulated, and transmitted to the Trustee without being divulged or released to any person affiliated with the Company or its affiliates. All actions taken by Directing Plan Participants shall be held confidential by the Trustee and shall not be divulged or released to any person, other than (i) agents of the Trustee who are not affiliated with the Company or its affiliates or (ii) by virtue of the execution by the Trustee of any proxy, consent or letter of transmittal for the shares of Company Stock held in the Trust.

5.5. Indemnification.

(a) The Company shall and hereby does indemnify and hold harmless the Trustee from and against any claims, demands, actions, administrative or other proceedings, causes of action, liability, loss, cost, damage or expense (including reasonable attorneys' fees), which may be asserted against it, in any way arising out of or incurred as a result of its action or failure to act in connection with the establishment, operation and administration of the Trust; provided that such indemnification shall not apply to the extent that a court of competent jurisdiction finally determines that the Trustee has acted (i) negligently, (ii) in violation of applicable law or its duties under this Trust or (iii) in bad faith. The Trustee shall be under no liability to any person for any loss of any kind which may result (i) by reason of any action taken by the Trustee in accordance with any direction of the Committee or any Directing Plan Participant acting pursuant to Section 5.4 (ii) by reason of the Trustee's failure to exercise any power or authority or to take any action hereunder because of the failure of any such Directing Plan Participant to give directions to the Trustee, as provided for in this Agreement, or (iii) by reason of any act or omission of any of the Directing Plan Participants with respect to the Trustee's duties under this Trust. The Trustee shall be fully protected in acting upon any instrument, certificate, or paper delivered by the Committee or any Plan Participant or beneficiary and believed in good faith by the Trustee to be genuine and to be signed or presented by the proper person or persons, and the Trustee shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

(b) The Company may, but shall not be required to, maintain liability insurance to insure its obligations hereunder. If any payments made by the Company or the Trust pursuant to this indemnity are covered by insurance maintained by the Company, the Company or the Trust (as applicable) shall be subrogated to the rights of the indemnified party against the insurance company.

(c) Without limiting the generality of the foregoing, the Company will, at the request of the Trustee, advance to the Trustee reasonable amounts of expenses, including reasonable attorneys' fees and expenses, which the Trustee advises have been incurred in connection with its investigation or defense of any claim, demand, action, cause of action, administrative or other proceeding arising out of or in connection with the Trustee's performance of its duties under this Agreement.

(d) In no event shall the Trustee be liable for consequential damages.

(e) The Trustee may initiate an action in interpleader with respect to any issue under this Agreement and the Company shall indemnify the Trustee from and against any reasonable legal expenses incurred by the Trustee in connection therewith.

5.6. General Duty to Communicate to Committee. The Trustee shall promptly notify the Committee of all communications with or from any government agency or with respect to any legal proceeding with regard to the Trust and with or from any Plan Participants concerning their entitlements under the Plans or the Trust.

ARTICLE 6.

Accounts and Reports of Trustee

6.1. Records and Accounts of Trustee. The Trustee shall maintain accurate and detailed records and accounts of all transactions of the Trust, which shall be available at all reasonable times for inspection or audit by any person designated by the Company and which shall be retained as required by applicable law.

6.2. Fiscal Year. The fiscal year shall be the same as the Trust Year. The fiscal year of the Trust shall be the twelve month period or a shorter period in the case of the initial fiscal year.

6.3. Reports of Trustee. The Trustee shall prepare and present to the Committee a report for the period ending on the last day of each fiscal year, and for such shorter periods as the Committee may reasonably request, listing all securities and other property acquired and disposed of and all receipts, disbursements and other transactions effected by the Trust after the date of the Trustee's last account, and further listing all cash, securities, and other property held by the Trust, together with the fair market value thereof, as of the end of such period. In addition to the foregoing, the report shall contain such information regarding the Trust Fund's assets and transactions as the Committee in its discretion may reasonably request.

The Committee may approve of any report furnished by the Trustee pursuant to the foregoing paragraph either by written statement of approval furnished to the Trustee or shall be deemed to have approved any such report by failure to file written objection to the report with the Trustee within one hundred and eighty (180) days of the date on which the Committee received the report. The Committee shall not be liable to any person for the approval, disapproval or failure to approve or object to any report rendered by the Trustee.

6.4. Final Report. In the event of the resignation or removal of a Trustee hereunder, the Committee may request and the Trustee shall then with reasonable promptness submit, for the period ending on the effective date of such resignation or removal, a report similar in form and purpose to that described in Section 6.3.

ARTICLE 7.

Succession of Trustee

7.1. Resignation of Trustee. The Trustee or any successor thereto may resign as Trustee hereunder at any time upon delivering a written notice of such resignation, to take effect thirty (30) days after the delivery thereof to the Committee, unless the Committee accepts shorter notice; provided, however, that no such resignation shall be effective until a successor Trustee has assumed the office of Trustee hereunder.

7.2. Removal of Trustee. The Trustee or any successor thereto may be removed by the Company by delivering to the Trustee so removed an instrument executed by the Committee informing the Trustee of the Committee's decision. Such removal shall take effect at the date specified in such instrument, which shall not be less than thirty (30) days after delivery of the instrument, unless the Trustee accepts shorter notice; provided, however, that no such removal shall be effective until a successor Trustee has assumed the office of Trustee hereunder.

7.3. Appointment of Successor Trustee. Whenever the Trustee or any successor thereto shall resign or be removed or a vacancy in the position shall otherwise occur, the Company shall use its best efforts to appoint a successor Trustee as soon as practicable after receipt by the Committee of a notice described in Section 7.1, or the delivery to the Trustee of a notice described in Section 7.2, as the case may be, but in no event more than sixty (60) days after receipt or delivery, as the case may be, of such notice. A successor Trustee's appointment shall not become effective until such successor shall accept such appointment by delivering its acceptance in writing to the Company. If a successor is not appointed within such 60 day period, the Trustee, at the Company's expense, may petition a court of competent jurisdiction for appointment of a successor.

7.4. Succession to Trust Fund Assets. The title to all property held hereunder shall vest in any successor Trustee acting pursuant to the provisions hereof without the execution or filing of any further instrument, but a resigning or removed Trustee shall execute all instruments and do all acts necessary to vest title in the successor Trustee. Each successor Trustee shall have, exercise and enjoy all of the powers, both discretionary and ministerial, herein conferred upon its predecessors. A successor Trustee shall not be obliged to examine or review the accounts, records, or acts of, or property delivered by, any previous Trustee and shall not be responsible for any action or any failure to act on the part of any previous Trustee.

7.5. Continuation of Trust. In no event shall the legal disability, resignation or removal of a Trustee terminate the Trust, but the Company shall forthwith appoint a successor Trustee in accordance with Section 7.3 to carry out the terms of the Trust.

7.6. Changes in Organization of Trustee. In the event that any corporate Trustee hereunder shall be converted into, shall merge or consolidate with, or shall sell or transfer substantially all of its assets and business to, another corporation, state or federal, the corporation resulting from such conversion, merger or consolidation, or the corporation to which such sale or transfer shall be made, shall thereupon become and be the Trustee under the Trust with the same effect as though originally so named.

7.7. Continuance of Trustee's Powers in Event of Termination of the Trust. In the event of the termination of the Trust, as provided herein, the Trustee shall dispose of the Trust Fund in accordance with the provisions hereof. Until the final distribution of the Trust Fund, the Trustee shall continue to have all powers provided hereunder as necessary or expedient for the orderly liquidation and distribution of the Trust Fund.

7.8. Corporate Trustee. The Trustee or any successor Trustee shall be an independent corporate entity with assets of at least \$15 billion.

ARTICLE 8.

Amendment or Termination

8.1. Amendments. Except as otherwise provided herein, the Company may amend the Trust at any time and from time to time in any manner which it seems desirable, provided that no amendment shall permit the Company to receive any distribution prohibited by the last sentence of Section 1.5 hereof and no amendment which would adversely affect the duties of the Trustee shall be made without the Trustee's written consent, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the Company shall retain the power under all circumstances to amend the Trust to correct any errors or clarify any ambiguities or similar issues of interpretation in this Agreement, except to the extent any such amendment adversely affects the duties of the Trustee.

8.2. Termination. Subject to the terms of this Section 8.2, the Trust shall terminate on the earliest of the date (i) all available shares are distributed, (ii) on which the Loan is paid in full and (iii) the 20th anniversary of the effective date of the Trust (the "Termination Date"). The Company may terminate the Trust at any time prior to the Termination Date. The Trust shall also terminate automatically upon the Company giving the Trustee written notice of a Change of Control. Immediately upon a termination of the Trust, the Company shall be deemed to have forgiven all amounts then outstanding under the Loan. As soon as practicable after receiving notice from the Company of a Change of Control or upon any other termination of the Trust, the Trustee shall sell all of the Company Stock and other non-cash assets (if any) then held in the Trust Fund provided, that the Trustee will not be required to sell such Company Stock unless such sale can be completed without violating applicable securities laws. In the event of a Change of Control or any other termination of the Trust, the Company will cooperate in registering the Company Stock held by the Trust. The Company shall be responsible for all expenses incurred in connection with the registration of such Company Stock. The proceeds of such sale shall first be returned to the Company up to an amount equal to the principal amount, plus any accrued interest, of the Loan that was forgiven upon such termination. Any funds remaining in the Trust after such payment to the Company (the "Excess Funds") shall be used to fund (1) the existing obligations of the Company under (i) the Plans and, then, (ii) all broad-based employee benefit plans maintained by the Company, and (2) the anticipated future obligations of the Company to the pre Change-of-Control employee population under one or more broad based employee plans, and, (3) if any Excess Funds remain, such amount shall be paid directly to the active participants in the Company's 401(k) defined contribution plan in proportion to each participant's base pay. Any determination as to which plans are entitled to funding pursuant to this paragraph or the extent of any obligation to such plan shall be made by the Committee.

8.3. Form of Amendment or Termination. Any amendment or termination of the Trust shall be evidenced by an instrument in writing signed by an authorized officer of the Company, certifying that said amendment or termination has been authorized and directed by the Company or the Board of Directors, as applicable, and, in the case of any amendment, shall be consented to by signature of an authorized officer of the Trustee, if required by Section 8.1.

ARTICLE 9.

Miscellaneous

9.1. Controlling Law. The laws of the Commonwealth of Pennsylvania shall be the controlling law in all matters relating to the Trust, without regard to conflicts of law.

9.2. Committee Action. Any action required or permitted to be taken by the Committee may be taken on behalf of the Committee by any individual so authorized. The Company shall furnish to the Trustee the name and specimen signature of each member of the Committee upon whose statement of a decision or direction the Trustee is authorized to rely. Until notified of a change in the identity of such person or persons, the Trustee shall act upon the assumption that there has been no change. In the event that a Change of Control occurs, the Board of Directors shall no longer have the authority to remove or appoint members of the Committee and the members of the Committee in place immediately preceding such a Change of Control shall continue as such members and shall have the authority to appoint new members to replace any members who resign or otherwise cease to be members after the Change of Control.

9.3. Notices. All notices, requests, or other communications required or permitted to be delivered hereunder shall be in writing, delivered by registered or certified mail, return receipt requested as follows:

To the Company

Donald H. Cuzzo, Esquire
Secretary

Mine Safety Appliances Company
P.O. Box 426
Pittsburgh, PA 15230

To the Trustee:

PNC Bank, N.A.
One Oliver Plaza
27th Floor
6th Avenue
Pittsburgh, PA 15222
Attn: Frank Leja, Vice President

Any party hereto may from time to time, by written notice given as aforesaid, designate any other address to which notices, requests or other communications addressed to it shall be sent.

9.4. Severability. If any provision of the Trust shall be held illegal or invalid or unenforceable for any reason, such provision shall not affect the remaining parts hereof, but the Trust shall be construed and enforced as if said provision had never been inserted herein.

9.5. Protection of Persons Dealing with the Trust. No person dealing with the Trustee shall be required or entitled to monitor the application of any money paid or property delivered to the Trustee, or determine whether or not the Trustee is acting pursuant to authorities granted to it hereunder or to authorizations or directions herein required.

9.6. Tax Status of Trust. It is intended that the Company, as grantor hereunder, be treated as the owner of the entire Trust and the trust assets under Section 671 et seq. of the Code. Until advised otherwise, the Trustee may presume that the Trust is so characterized for federal income tax purposes and shall make all filings of tax returns on that presumption.

9.7. Participants to Have No Interest in the Company by Reason of the Trust. Neither the creation of the Trust nor anything contained in the Trust shall be construed as giving any person, including any individual employed by the Company or any subsidiary of the Company, any equity or interest in the assets, business, or affairs of the Company except to the extent that any such individuals are entitled to exercise stockholder rights with respect to Company Stock pursuant to Section 5.4.

9.8. Nonassignability. No right or interest of any person to receive distributions from the Trust shall be assignable or transferable, in whole or in part, either directly or by operation of law or otherwise, including, but not by way of limitation, execution, levy, garnishment, attachment, pledge, or bankruptcy, but excluding death or mental incompetency, and no right or interest of any person to receive distributions from the Trust shall be subject to any obligation or liability of any such person, including claims for alimony or the support of any spouse or child.

9.9. Gender and Plurals. Whenever the context requires or permits, the masculine gender shall include the feminine gender and the singular form shall include the plural form and shall be interchangeable.

9.10. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be considered an original.

IN WITNESS WHEREOF, the Company and the Trustee have caused this Agreement to be signed, and their seals affixed hereto, by their authorized officers all as of the day, month and year first above written.

By: /s/ Frank H. Leja
Title: Vice President
Attest: /s/ Howard H. Giles
Title: Ass't. Vice President

MINE SAFETY APPLIANCES
COMPANY

By: /s/ D. L. Zeitler
Title: Treasurer
Attest: /s/ D. H. Cuozzo
Title: Secretary

SCHEDULE A

Employee Benefit Plans

1. Mine Safety Appliances Company 1987 Management Share Incentive Plan.
2. Mine Safety Appliances Company 1990 Non-Employee Directors' Stock Option Plan.
3. 1998 Management Share Incentive Plan. Amended as of 5-5-98 Board Meeting.
4. Mine Safety Appliances Company 2008 Management Equity Incentive Plan.
5. Mine Safety Appliances Company 2008 Non-Employee Directors' Equity Incentive Plan.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a)

I, William M. Lambert, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mine Safety Appliances Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 28, 2008

/s/ William M. Lambert

William M. Lambert
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13a-14(a)

I, Dennis L. Zeitler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mine Safety Appliances Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 28, 2008

/s/ Dennis L. Zeitler

Dennis L. Zeitler
Chief Financial Officer

CERTIFICATION

Pursuant to 18 U.S.C. (S) 1350, the undersigned officers of Mine Safety Appliances Company (the "Company"), hereby certify, to the best of their knowledge, that the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 (the "Report") fully complies with the requirements of Section 13 (a) or 15 (d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 28, 2008

/s/ William M. Lambert

William M. Lambert
Chief Executive Officer

/s/ Dennis L. Zeitler

Dennis L. Zeitler
Chief Financial Officer