SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarter ended June 30, 2004

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 an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes ☒ No ☐

As of July 31, 2004, there were outstanding 37,060,340 shares of common stock without par value, not including 3,549,719 shares held by the Mine Safety Appliances Company Stock Compensation Trust.

PART I FINANCIAL INFORMATION
Item 1. Financial Statements

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

	Three Months Ended June 30 Unaudited		Six Months Ended June 30 Unaudited	
	2004	2003	2004	2003
Net sales	$ 213,114	$ 175,939	$ 407,604	$ 336,330
Other income	678	434	1,464	530
	213,792	176,373	409,068	336,860
Costs and expenses				
Cost of products sold	124,608	103,286	233,939	197,139
Selling, general and administrative	47,147	42,219	94,877	81,315
Research and development	5,087	4,854	10,302	9,896
Depreciation and amortization	5,761	5,657	11,581	11,050
Interest	1,215	1,173	1,729	2,292
Currency exchange loss (gain)	1,253	(651)	1,920	(1,801)
	185,071	156,538	354,348	299,891
Income from continuing operations before income taxes	28,721	19,835	54,720	36,969
Provision for income taxes	10,603	7,643	20,464	14,278
Net income from continuing operations	18,118	12,192	34,256	22,691
Net income from discontinued operations		1,273		2,787
Net income	$ 18,118	$ 13,465	$ 34,256	$ 25,478
Basic earnings per common share:				
Continuing operations	$ 0.49	$ 0.33	$ 0.93	$ 0.62
Discontinued operations		0.04		0.07
Net income	$ 0.49	$ 0.37	$ 0.93	$ 0.69
Diluted earnings per common share:				
Continuing operations	$ 0.48	$ 0.33	$ 0.90	$ 0.62
Discontinued operations		0.04		0.07
Net income	$ 0.48	$ 0.37	$ 0.90	$ 0.69
Dividends per common share	$ 0.10	$ 0.06	$ 0.17	$ 0.12

See notes to consolidated condensed financial statements.

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

	June 30 2004 Unaudited	December 31 2003
ASSETS		
Current assets		
Cash and cash equivalents	$ 61,686	$ 73,244
Trade receivables, less allowance for doubtful accounts of $5,539 and $6,418	148,343	129,900
Inventories:		
Finished products	41,476	34,660
Work in process	19,489	17,476
Raw materials and supplies	44,136	37,967
Total inventories	105,101	90,103
Deferred tax assets	18,330	17,890
Prepaid expenses and other current assets	19,233	10,794
Assets held for sale		2,311
Total current assets	352,693	324,242
Property, plant and equipment	355,976	359,946
Accumulated depreciation	(237,104)	(239,386)
Net property	118,872	120,560
Prepaid pension cost	127,010	121,290
Deferred tax assets	22,814	23,047
Goodwill	47,595	44,810
Other noncurrent assets	9,779	9,936
TOTAL	$ 678,763	$ 643,885
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Notes payable and current portion of long-term debt	$ 5,806	$ 5,666
Accounts payable	45,583	40,029
Employees' compensation	16,275	15,486
Insurance and product liability	15,360	13,518
Taxes on income	1,424	4,976
Other current liabilities	37,920	35,040
Total current liabilities	122,368	114,715
Long-term debt	58,678	59,915
Pensions and other employee benefits	74,471	74,808
Deferred tax liabilities	74,226	70,845
Other noncurrent liabilities	15,140	15,744
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 61,740,327 and 61,740,327 shares (outstanding 37,060,340 and 36,927,984 shares)	32,645	31,187
Stock compensation trust - 3,549,719 and 3,711,231 shares	(18,542)	(19,385)
Treasury stock, at cost:		
Preferred - 51,736 and 51,554 shares	(1,698)	(1,690)
Common - 21,130,268 and 21,101,112 shares	(136,296)	(135,483)
Deferred stock compensation	(1,729)	(993)
Accumulated other comprehensive loss	(8,702)	(6,037)
Earnings retained in the business	464,633	436,690
Total shareholders' equity	333,880	307,858
TOTAL	$ 678,763	$ 643,885

See notes to consolidated condensed financial statements.

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

	Six Months Ended June 30 Unaudited	
	2004	**2003**
OPERATING ACTIVITIES		
Net income	$ 34,256	$ 25,478
Net income from discontinued operations		(2,787)
Net income from continuing operations	34,256	22,691
Depreciation and amortization	11,581	11,050
Pensions	(3,906)	(4,726)
Gain on sale of investments and assets	(41)	(72)
Deferred income taxes	2,647	2,751
Changes in operating assets and liabilities	(34,622)	(30,035)
Other - including currency exchange adjustments	321	(579)
Cash flow from continuing operations	10,236	1,080
Cash flow from discontinued operations	2,061	5,631
Cash flow from operating activities	12,297	6,711
INVESTING ACTIVITIES		
Property additions	(10,743)	(8,485)
Property disposals	108	142
Acquisitions, net of cash acquired, and other investing	(5,912)	(697)
Cash flow from investing activities	(16,547)	(9,040)
FINANCING ACTIVITIES		
Additions to long-term debt	16	95
Reductions of long-term debt	(348)	(623)
Changes in notes payable and short-term debt	203	(8,892)
Cash dividends	(6,313)	(4,545)
Company stock purchases	(821)	(709)
Company stock sales	1,148	458
Cash flow from financing activities	(6,115)	(14,216)
Effect of exchange rate changes on cash	(1,193)	1,226
Decrease in cash and cash equivalents	(11,558)	(15,319)
Beginning cash and cash equivalents	73,244	36,477
Ending cash and cash equivalents	$ 61,686	$ 21,158

See notes to consolidated condensed financial statements.

MINE SAFETY APPLIANCES COMPANY
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
UNAUDITED

(1) Basis of Presentation

We have prepared the consolidated condensed 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 audited financial statements.

The interim consolidated condensed financial statements are 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 consolidated condensed 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.

The 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) Three-for-One Stock Split

All share and per share information has been adjusted to reflect the three-for-one stock split of our common stock effected on January 28, 2004.

(3) Earnings per Share

Basic earnings per share is computed on the weighted average number of 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.

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	**2004**	**2003**	**2004**	**2003**
Net income from continuing operations	$ 18,118	$ 12,192	$ 34,256	$ 22,691
Preferred stock dividends	11	12	22	24
Income available to common shareholders	18,107	12,180	34,234	22,667
Basic shares outstanding	37,054	36,695	37,009	36,663
Stock options	996	390	991	321
Diluted shares outstanding	38,050	37,085	38,000	36,984
Antidilutive stock options	0	66	0	66

(4) Comprehensive Income

Components of comprehensive income are as follows:

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	**2004**	**2003**	**2004**	**2003**
Net income from continuing operations	$18,118	$ 12,192	$34,256	$ 22,691
Net income from discontinued operations		1,273		2,787
Cumulative translation adjustments	(2,824)	4,703	(2,665)	6,816
Comprehensive income	15,294	18,168	31,591	32,294

Components of accumulated other comprehensive loss are as follows:

(In thousands)	**June 30 2004**	**December 31 2003**
Cumulative translation adjustments	$(7,559)	$ (4,894)
Minimum pension liability adjustments	(1,143)	(1,143)
Accumulated other comprehensive loss	(8,702)	(6,037)

(5) Segment Information

We are organized into three geographic operating segments (North America, Europe and International), each of which includes a number of operating companies.

A summary of our reportable segment information is as follows:

(In thousands)	Three Months Ended June 30, 2004				
	North America	Europe	International	Reconciling	Consolidated Totals
Sales to external customers	$ 144,019	$ 41,670	$ 27,425	$	$ 213,114
Intercompany sales	7,653	12,667	1,284	(21,604)	
Net income from continuing operations	13,913	2,237	2,162	(194)	18,118

(In thousands)	Six Months Ended June 30, 2004				
	North America	Europe	International	Reconciling	Consolidated Totals
Sales to external customers	$ 273,649	$ 81,056	$ 52,899	$	$ 407,604
Intercompany sales	13,878	27,133	1,919	(42,930)	
Net income from continuing operations	27,695	4,069	3,292	(800)	34,256

(In thousands)	Three Months Ended June 30, 2003				
	North America	Europe	International	Reconciling	Consolidated Totals
Sales to external customers	$ 111,398	$ 36,631	$ 27,910	$	$ 175,939
Intercompany sales	6,303	12,642	924	(19,869)	
Net income from continuing operations	9,020	968	1,700	504	12,192
Income from discontinued operations	1,273				1,273

(In thousands)	Six Months Ended June 30, 2003				
	North America	Europe	International	Reconciling	Consolidated Totals
Sales to external customers	$ 218,165	$ 71,274	$ 46,891	$	$ 336,330
Intercompany sales	12,880	25,268	1,645	(39,793)	
Net income from continuing operations	17,045	2,064	2,873	709	22,691
Income from discontinued operations	2,787				2,787

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)	Three Months Ended June 30			
	Pension Benefits		Other Benefits	
	2004	2003	2004	2003
Service cost	$ 1,642	$ 1,442	$ 128	$ 106
Interest cost	3,556	3,341	376	349
Expected return on plan assets	(7,180)	(6,699)		
Amortization of transition asset	50	(117)		
Amortization of prior service cost	81	71	(57)	(57)
Recognized net actuarial (gains) losses	(138)	(397)	207	148
Net periodic benefit (credit) cost	(1,989)	(2,359)	654	546

(In thousands)	Six Months Ended June 30			
	Pension Benefits		Other Benefits	
	2004	2003	2004	2003
Service cost	$ 3,175	$ 2,894	$ 256	$ 212
Interest cost	7,043	6,713	752	698
Expected return on plan assets	(14,156)	(13,398)		
Amortization of transition asset	114	(232)		
Amortization of prior service cost	148	141	(114)	(114)
Recognized net actuarial (gains) losses	(230)	(844)	414	296
Net periodic benefit (credit) cost	(3,906)	(4,726)	1,308	1,092

We made contributions of $711,000 to our pension plans in the six months ended June 30, 2004. We expect to make pension contributions of $1.3 million during 2004.

(7) Accounts Receivable Securitization

We have entered into securitization arrangements with a financial institution under which Mine Safety Funding Corporation, a consolidated wholly-owned bankruptcy remote subsidiary, may sell up to $30.0 million of eligible accounts receivable to a multi-seller asset-backed commercial paper issuer. Securitized accounts receivable are removed from our balance sheet when sold.

At June 30, 2004, $10.0 million of securitized accounts receivable had been removed from our balance sheet under this program. Our retained interest in accounts receivable available for securitization was $57.6 million at June 30, 2004.

At December 31, 2003, $15.0 million of securitized accounts receivable had been removed from our balance sheet under this program. Our retained interest in accounts receivable available for securitization was $40.0 million at December 31, 2003.

(8) Goodwill and Intangible Assets

Changes in goodwill and intangible assets for the six months ended June 30, 2004 were as follows:

(In thousands)	Goodwill	Intangibles
Balances at January 1, 2004	$44,810	$ 3,307
Amortization expense		(338)
Goodwill acquired	3,125	
Currency translation and other	(340)	
Balances at June 30, 2004	47,595	2,969

At June 30, 2004, goodwill of $34.7 million and $12.9 million related to the North America and European operating segments, respectively.

(9) Stock Plans

We apply the intrinsic value-based method in accordance with Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees. Accordingly, no compensation cost is recognized for stock option grants. If we had elected to recognize compensation cost based on the fair value of stock options at the grant date as prescribed by FAS 148, Accounting for Stock-Based Compensation - Transition and Disclosure, net income and earnings per share would have been reduced to the pro forma amounts shown below:

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	2004	2003	2004	2003
Net income as reported	$18,118	$13,465	$34,256	$25,478
Fair value of stock options granted, net of tax	(445)	(419)	(881)	(509)
Pro forma net income	17,673	13,046	33,375	24,969
Basic earnings per share:				
As reported	$ 0.49	$ 0.37	$ 0.93	$ 0.69
Pro forma	0.48	0.36	0.90	0.68
Diluted earnings per share:				
As reported	$ 0.48	$ 0.37	$ 0.90	$ 0.69
Pro forma	0.46	0.35	0.88	0.67

Stock options granted in 2004 and 2003 vest in one year. For purposes of the pro forma disclosure, the estimated fair value of the options is amortized over the vesting period. The fair value of the options granted was estimated at the grant dates using the Black-Scholes option pricing model and the following weighted average assumptions for options granted in 2004 and 2003, respectively: risk-free interest rate of 4.2% and 4.0%; dividend yield of 2.0% and 2.1%; expected option life of 9.9 years and 9.9 years; and expected volatility factor of 29% and 23%.

We grant restricted stock awards to eligible key employees and non-employee directors without payment to the company in consideration of services to be performed in the ensuing three years. Compensation cost for restricted stock awards is measured at the market value of the shares when awarded. Unearned compensation related to restricted stock awards is reported in shareholders' equity and charged to income over the restriction period. Restricted stock awards expense was $228,000 and $196,000 in the second quarters of 2004 and 2003, respectively, and $430,000 and $339,000 for the six months ended June 30, 2004 and 2003, respectively.

(10) Acquisitions

On June 30, 2004, we acquired Sordin AB of Varnamo, Sweden, a leading manufacturer of passive and electronic hearing protection designed for the industrial, law enforcement and military markets. The acquisition of Sordin enhances our position as a provider of modern, leading-edge hearing protective devices. Many of Sordin's products are compatible with our other safety products, including our flagship V-Gard® Hard Hat. Sordin also developed the modular integrated communications system currently being used with the Advanced Combat Helmet that we manufacture for the U.S. Army.

The following pro forma summary presents our consolidated results as if the Sordin acquisition had occurred at the beginning of 2003. The pro forma information does not necessarily reflect the actual results that would have occurred and is not necessarily indicative of future results of operations for the combined companies.

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	2004	2003	2004	2003
Net sales	$ 215,133	$ 178,322	$ 411,641	$ 341,096
Net income from continuing operations	18,352	12,397	34,723	23,102
Basic earnings per share - continuing operations	0.49	0.34	0.94	0.63
Diluted earnings per share - continuing operations	0.48	0.33	0.91	0.62

Our preliminary allocation of the $4.2 million purchase price included goodwill of $2.8 million. The acquisition agreement provides for up to $5.4 million of additional consideration, the majority of which will be charged to goodwill, to be paid to the former owners annually based on Sordin's earnings during the five year period from July 1, 2004 through June 30, 2009.

(11) Discontinued Operations

On September 12, 2003, we sold certain assets of the Callery Chemical Division to BASF Corporation. The operating results of Callery Chemical Division for the three and six month periods ended June 30, 2003, as summarized below, have been classified as discontinued operations.

(In thousands)	Three Months ended June 30, 2003	Six Months ended June 30, 2003
Net sales	$ 6,615	$ 14,823
Income before income taxes	2,018	4,426
Provision for income taxes	745	1,639
Net income from discontinued operations	1,273	2,787

Assets held for sale at December 31, 2003 of $2.3 million represent trade receivables and other current assets that were retained by us when the division was sold. These amounts were received in the first quarter of 2004.

(12) Derivative Financial Instruments

On April 6, 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 is initially $20.0 million and declines $4.0 million per year beginning in 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, 2004, has been recorded as a liability of $850,000 that is included in other noncurrent liabilities, with an offsetting reduction in the carrying value of the 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 amount paid are recognized in interest expense on an ongoing basis. This rate difference resulted in a $125,000 reduction in interest expense during the second quarter of 2004.

On March 5, 2004, we terminated an interest rate swap agreement which we had entered into on December 2, 2003. The termination of this agreement resulted in a realized gain of $678,000, which was reported as a reduction of interest expense during the quarter ended March 31, 2004.

(13) 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 1,850 lawsuits involving primarily respiratory protection products allegedly manufactured and sold by us. Collectively, these lawsuits represent a total of approximately 30,000 plaintiffs. Approximately 85% 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, 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 reevaluate our exposures on an ongoing basis and make adjustments to reserves 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 position.

In connection with our sale of the Callery Chemical facility in Evans City, Pennsylvania, we have retained responsibility for certain environmental costs at this site, where relatively low levels of contamination are known to exist. Under the terms of the asset purchase agreement with BASF, our maximum liability for these matters is capped at $50.0 million. Based on environmental studies performed prior to the sale of the division, we do not believe that our potential exposure under the terms of this agreement will materially affect our results of operations, cash flows, or financial position.

(14) Recently Issued Accounting Standards

In January 2003, the Financial Accounting Standards Board issued FASB Interpretation No. 46, Consolidation of Variable Interest Entities (FIN 46). FIN 46 establishes criteria to be used in determining whether an investment in a variable interest entity should be consolidated and is based on the premise that companies that control another entity through interests other than voting interests should consolidate the controlled entity. The provisions of FIN 46, which we adopted in the quarter ended March 31, 2004, did not have a material impact on our financial position, results of operations or cash flow.

In May 2004, the FASB issued Staff Position No. 106-2, Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003. This act introduces a prescription drug benefit under Medicare Part D, as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. Specific authoritative guidance on accounting for the federal subsidy is pending, and that guidance, when issued, could require plan sponsors to change previously reported information. We are currently evaluating the effect of the act on us and do not expect that the reductions in postretirement benefit costs will be significant. In accordance with FASB Staff Position No. 106-2, we will begin accounting for the effect of the act during third quarter 2004. Accordingly, the net periodic postretirement benefit costs and liability included in the financial statements do not reflect any potential effects of the act.

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 contains 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, including those discussed in the sections of this report entitled "Forward-looking statements" and "Business Overview".

BUSINESS OVERVIEW

We are a global leader in the development, manufacture and supply of sophisticated products that protect people's health and safety. In recent years, we have concentrated on specific initiatives intended to help improve our competitive position and profitability, including:

- identify and develop promising new markets;
- focus on innovation and new product introductions;
- further strengthen relationships with major distributors;
- optimize factory performance and drive operational excellence;
- position international business to capture growth; and
- pursue strategic acquisitions.

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 2003, approximately 65%, 21% and 14% of our net sales from continuing operations were made by our North America, Europe 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 Europe segment, comprising 12 operating entities, 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 purchased from third party vendors.

International. Our International segment comprises 13 operating entities located in Abu Dhabi, Argentina, Australia, Brazil, Chile, China, India, Japan, Malaysia, Peru, Singapore, South Africa and Zimbabwe, 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 purchased from third party vendors.

Because some of the countries that comprise our International segment are located in developing regions of the world, several factors have the potential to adversely affect our international operations and our financial results, including:

- significant changes in economic, social, political, monetary or trade policies of the governments of countries that comprise our International segment, as well as political or social unrest in those countries;
- trade protection measures and price controls;
- trade sanctions and embargos; and
- nationalization and expropriation.

These events are infrequent and unpredictable. However, it is highly unlikely that such events will occur simultaneously in several or all of the countries that comprise our International segment. We believe that our exposure is not material since, with the exception of Australia, which represents approximately 5% of our net sales, no individual international affiliate represents more than 3% of our total assets, net sales or gross profits.

Because our financial statements are stated in U.S. dollars, currency fluctuations may affect our results of operations and financial position and may affect the comparability of our results between financial periods. We manage our exchange rate risks primarily by sourcing our products in the same currency as our customer pays us. In the few instances where product cost and product payment are not in the same currency and such mismatch creates a material exchange rate risk, we use foreign currency forward contracts. On a global basis, we have a broad based balance sheet exposure to numerous currencies that serves to minimize the impact of fluctuations in any one currency.

In 2003, we achieved record sales and net income from continuing operations for the third consecutive year. This trend has continued through the first half of 2004. We believe that this performance and our improving financial performance in recent years are the result of initiatives that have allowed us to anticipate and respond quickly to market requirements, particularly in the fire service, homeland security, construction and general industries, as well as the military. We believe that sales growth in the fire service market reflects our ability to quickly bring to market products that comply with changing industry standards and to create new market demand with innovative products. For example, we have successfully responded to increased homeland security and military market demand for products such as the Millennium Chemical-Biological Mask and the MCU-2/P gas masks and the Advanced Combat Helmet that has occurred since the September 11th attacks and during the ongoing war on terrorism. Additionally, in 2003, we developed our Solaris handheld multi-gas detector and brought it from concept-to-customer in only 10 months in response to the gas detection needs of our industrial and petrochemical customers. Demand in the homeland security and military markets has more than offset continuing sluggishness in North American industrial markets.

The level of demand for our products in the fire service, homeland security and military markets is strongly influenced by the levels of government funding available to address the needs of first responders and to meet the requirements of military operations. A reduction in available government funding in the future could adversely affect the demand for our products in these markets.

Our results in Europe improved modestly in 2003 and for the first half of 2004, but continue to suffer from the effects of the poor economic climate in Western Europe. Our acquisition of CGF Gallet in 2002, now MSA Gallet, added the leading line of European firefighter head protection to our product line and has helped improve our overall performance in Europe. In other international markets, results in 2003 were generally higher in most markets. These improvements reflect focused efforts to effectively reach customers and, particularly in Latin America, improvements in general economic conditions.

To sharpen our focus on our core safety products business, in November 2002, we announced our decision to explore the potential sale of Callery Chemical, our only non-safety products business unit. As discussed further below under "Discontinued Operations," this division was sold in September 2003.

ACQUISITIONS

On June 30, 2004, we acquired Sordin AB of Varnamo, Sweden, a leading manufacturer of passive and electronic hearing protection designed for the industrial, law enforcement and military markets. The acquisition of Sordin enhances our position as a provider of modern, leading-edge hearing protective devices. Many of Sordin's products are compatible with our other safety products, including our flagship V-Gard® Hard Hat. Sordin also developed the modular integrated communications system currently being used with the Advanced Combat Helmet that we manufacture for the U.S. Army.

DISCONTINUED OPERATIONS

On September 12, 2003, we sold our Callery Chemical Division to BASF Corporation. In accordance with accounting principles generally accepted in the United States of America, the operating results of the Callery Chemical Division for the three and six month periods ended June 30, 2003 have been reported as discontinued operations in the consolidated statements of income.

Discontinued operations reported sales of $6.6 million and $14.8 million and net income of $1.3 million and $2.8 million for the three and six month periods ended June 30, 2003, respectively.

At December 31, 2003, approximately $2.3 million of trade receivables and other current assets related to the Callery Chemical Division operation were reported as assets held for sale. These amounts were received during the first quarter of 2004.

RESULTS OF CONTINUING OPERATIONS

Three Months Ended June 30, 2004 Compared to Three Months Ended June 30, 2003

Net Sales. Net sales for the three months ended June 30, 2004 were $213.1 million, compared with $175.9 million in the same period in 2003, an increase of $37.2 million, or 21%.

(In millions)	Three Months Ended June 30, 2004	2003	Dollar Increase (Decrease)	Percent Increase (Decrease)
North America	$ 144.0	$ 111.4	$ 32.6	29%
Europe	41.7	36.6	5.1	14%
International	27.4	27.9	(0.5)	(2)%

Net sales of the North America segment were $144.0 million for the three months ended June 30, 2004, an increase of $32.6 million, or 29%, compared to $111.4 million for the same period in 2003. The sales improvement was led by increases in Advanced Combat Helmet and gas mask sales to the military of approximately $11.7 million and $6.5 million, respectively. These sales increases reflect higher government funding to support homeland security initiatives and the war on terrorism. Our sales to the fire service market were also stronger in the current quarter, with increases in sales of self contained breathing apparatus, or SCBAs, and thermal imaging cameras, or TICs, of approximately $5.9 million and $2.0 million, respectively. Demand has been particularly strong for our latest generation SCBAs which, in 2003, were the first SCBAs to be approved under the 2002 NFPA performance standard and the NIOSH Chemical, Biological, Radiological and Nuclear, or CBRN, standard to protect first responders against possible terrorist attacks. Higher thermal imaging camera sales reflect strong demand for our Evolution® 5000 TIC, which combines the functionality and durability required by the fire service with features and performance not found on other small format cameras. Sales of instrument products were approximately $2.6 million higher in the current quarter, on strong demand for our latest generation portable instruments, such as the Solaris® Multigas Detector, one of the smallest and lightest four-gas monitors available today. Instrument sales also benefited from a modest improvement in the industrial sector economy.

In Europe, net sales for the three months ended June 30, 2004 were $41.7 million, an increase of $5.1 million, or 14%, compared to $36.6 million in the same quarter of 2003. Approximately $3.1 million of the increase was due to the favorable effect of the stronger Euro on net sales when stated in U.S. dollars. The remainder of the increase occurred primarily in Germany and related to shipment of backlog orders.

Net sales for the International segment were $27.4 million for the three months ended June 30, 2004, a decrease of $500,000, or 2%, compared to $27.9 million in the second quarter of 2003. The change reflects decreases in local currency sales in Australia and Japan of approximately $4.0 million and $1.9 million, respectively, partially offset by an increase in Latin American sales of approximately $1.4 million and a favorable currency exchange effect when stated in U.S. dollars of approximately $3.8 million. Second quarter 2003 sales in Australia and Japan were unusually high as a result of significant one-time orders for the Royal Australian Navy and nuclear power plants, respectively.

Cost of Products Sold. Cost of products sold was $124.6 million for the three months ended June 30, 2004, an increase of $21.3 million, or 21%, from $103.3 million in the second quarter of 2003. The increase was primarily related to higher sales.

Cost of products sold and selling, general and administrative expenses for the three months ended June 30, 2003 were favorably affected by a change in the vacation vesting policy for U.S. employees. Under the vacation vesting policy adopted in 2003, employees earn their vacation entitlement during the current year. Previously, vacation was vested on the last day of the prior year. The policy resulted in favorable adjustments to cost of products sold and selling, general and administrative expenses during 2003 of $1.6 million and $800,000, respectively. The vacation policy was changed to align the year the benefit is earned with the year it is received.

Cost of products sold and operating expenses include net periodic pension benefit costs and credits. Pension credits, combined with pension costs, resulted in net pension credits for the three month periods ended June 30, 2004 and 2003 of $2.0 million and $2.4 million, respectively.

Gross Profit. Gross profit for the three months ended June 30, 2004 was $88.5 million, which was $15.9 million, or 22%, higher than in the second quarter of 2003. The ratio of gross profit to net sales was steady at 41.5% in the second quarter of 2004 compared to 41.3% in the same quarter last year.

Selling, General and Administrative Expenses. Selling, general and administrative expenses were $47.1 million during the three months ended June 30, 2004, an increase of $4.9 million, or 12%, compared to $42.2 million in the second quarter of 2003. Selling, general and administrative expenses were 22.1% of net sales in the second quarter of 2004 compared to 24.0% of net sales in the second quarter of 2003. The increase in selling, general and administrative expenses includes an increase of approximately $2.9 million in selling expenses in North America associated with increased sales volumes and a $1.2 million exchange effect related to the strengthening of international currencies, particularly the Euro and the Australian dollar. In the second quarter of 2003, selling, general and administrative expenses included a favorable adjustment of approximately $800,000 related to the previously discussed change in the vacation vesting policy for our U.S. employees.

Research and Development Expense. Research and development expense for the three months ended June 30, 2004 was $5.1 million, an increase of $233,000, or 5%, compared to $4.9 million for the second quarter of 2003.

Depreciation and Amortization Expense. Depreciation and amortization expense for the three months ended June 30, 2004 was $5.8 million, an increase of $104,000, or 2%, compared to $5.7 million in the second quarter of 2003. The increase was primarily related to production equipment additions that we have made in North America in response to higher sales volumes.

Interest Expense. Interest expense was $1.2 million in both the three months ended June 30, 2004 and in the same period last year.

Currency Exchange Adjustments. Currency exchange adjustments resulted in a loss of $1.3 million in the second quarter of 2004 compared to a gain of $651,000 in the same quarter last year. The current quarter loss was primarily due to the weakening of the Canadian dollar. The gain during the second quarter of 2003 related to the strengthening of the Euro and the Canadian dollar.

Other Income. Other income for the three months ended June 30, 2004 was $678,000 compared to $434,000 in the same period last year.

Income Taxes. The effective tax rate for the three months ended June 30, 2004 was 36.9% compared to 38.5% for the same quarter last year. The lower effective rate related primarily to our expectations regarding research and development credits and rate effects attributable to international operations.

Net Income from Continuing Operations. Net income from continuing operations in the three months ended June 30, 2004 was $18.1 million, or $0.49 per basic share, compared to $12.2 million, or $0.33 per basic share, for the same quarter last year.

North America segment net income from continuing operations for the three months ended June 30, 2004 was $13.9 million, an increase of $4.9 million, or 54%, compared to $9.0 million in the second quarter of 2003. The improvement in North American net income was due to the previously discussed sales growth.

European segment net income from continuing operations in the three months ended June 30, 2004 was $2.2 million, an increase of $1.3 million, or 131%, compared to $968,000 in the second quarter of 2003. The net income improvement was primarily due to product mix changes in France. During the second quarter of 2003, we shipped significant quantities of military helmets to the French army at lower gross margins. In the second quarter of 2004 the product mix included proportionately higher sales of fire helmets at higher gross margins.

International segment net income from continuing operations for the three months ended June 30, 2004 was $2.2 million, an increase of $462,000, or 27%, compared to $1.7 million in the same quarter of last year. Second quarter 2003 net income included an accounts receivable write-off of approximately $600,000 after-tax due to a customer bankruptcy in Chile.

Six Months Ended June 30, 2004 Compared to Six Months Ended June 30, 2003

Net Sales. Net sales for the six months ended June 30, 2004 were $407.6 million, an increase of $71.3 million, or 21%, from $336.3 million for the six months ended June 30, 2003.

	Six Months Ended June 30,			
(In millions)	2004	2003	Dollar Increase	Percent Increase
North America	$ 273.6	$ 218.2	$ 55.4	25%
Europe	81.1	71.3	9.8	14%
International	52.9	46.9	6.0	13%

Net sales of the North America segment for the six months ended June 30, 2004 were $273.6 million, an increase of $55.4 million, or 25%, compared to $218.2 million for the same period in 2003. The improvement was led by increases in sales of SCBAs and TICs to the fire service market of approximately $19.4 million and $6.7 million, respectively. Demand has been particularly strong for our latest generation SCBAs which, in 2003, were the first SCBAs to be approved under the 2002 NFPA performance standard and the NIOSH Chemical, Biological, Radiological and Nuclear, or CBRN, standard to protect first responders against possible terrorist attacks. Increased thermal imaging camera sales reflect strong demand for our Evolution® 5000 TIC, which combines the functionality and durability required by the fire service with features and performance not found on other small format cameras. Sales of our Advanced Combat Helmet for the military increased approximately $18.1 million in the current period, reflecting increased government funding to support homeland security initiatives and the war on terrorism. Sales of instrument products were approximately $3.9 million higher in the current period, on strong demand for our latest generation portable instruments, such as the Solaris® Multigas Detector, one of the smallest and lightest four-gas monitors available today. Instrument sales also benefited from a modest improvement in the industrial sector economy.

In Europe, net sales for the six months ended June 30, 2004 were $81.1 million, an increase of $9.8 million, or 14%, compared to $71.3 million in the same period in 2003. The improvement was related to the favorable effect of the stronger Euro on net sales when stated in U.S. dollars. Local currency sales in Europe for the six months ended June 30, 2004 were flat when compared to the same period last year.

Net sales for the International segment were $52.9 million for the six months ended June 30, 2004, an increase of $6.0 million, or 13%, from $46.9 million for the same period in 2003. Local currency sales in the current period were approximately $2.4 million lower than in the first six months of 2003, reflecting decreases in local currency sales in Australia and Japan of approximately $4.2 million and $1.2 million, respectively. Both these countries reported higher than usual sales during the first half of 2003 on significant one-time orders. These sales decreases were partially offset by local currency sales increases in South America and the Middle East of $2.6 million and $1.6 million, respectively. When stated in U.S. dollars, International segment sales benefited from favorable currency exchange effects of approximately $7.7 million associated with a stronger Australian dollar and South African rand.

Cost of Products Sold. Cost of products sold was $233.9 million for the six months ended June 30, 2004, an increase of $36.8 million, or 19%, compared to $197.1 million for the same period last year. The increase was primarily related to higher sales.

Cost of products sold and selling, general and administrative expenses for the six months ended June 30, 2003 were favorably affected by a change in the vacation vesting policy for U.S. employees. Under the vacation vesting policy adopted in 2003, employees earn their vacation entitlement during the current year. Previously, vacation was vested on the last day of the prior year. The policy resulted in favorable adjustments to cost of products sold and selling, general and administrative expenses during 2003 of $1.6 million and $800,000, respectively. The vacation policy was changed to align the year the benefit is earned with the year it is received.

Cost of products sold and operating expenses include net periodic pension benefit costs and credits. Pension credits, combined with pension costs, resulted in net pension credits for the six month periods ended June 30, 2004 and 2003 of $3.9 million and $4.7 million, respectively.

Gross Profit. Gross profit for the six months ended June 30, 2004 was $173.7 million, which was $34.5 million, or 25%, higher than $139.2 million for the same period in 2003. The ratio of gross profit to net sales was 42.6% for the six months ended June 30, 2004 compared to 41.4% in the same period last year. The improved gross profit ratio in the first half of 2004 was primarily due to production efficiencies associated with higher North American sales, partially offset by proportionately higher sales of Advanced Combat Helmets to the government at gross margins that are generally lower than on commercial sales. Our European operations also reported improved gross profits primarily related to strong sales of higher margin fire helmets.

Selling, General and Administrative Expenses. Selling, general and administrative expenses were $94.9 million during the six months ended June 30, 2004, an increase of $13.6 million, or 17%, compared to $81.3 million for the same period last year. Selling, general and administrative expenses were 23.3% of net sales in the six months ended June 30, 2004 compared to 24.2% of net sales in the first six months of last year. Selling expenses in North America increased approximately $5.3 million reflecting costs associated with increased sales volumes. In the first half of 2003, selling, general and administrative expenses included a favorable adjustment of approximately $800,000 related to the previously discussed change in the vacation vesting policy for our U.S. employees. Exchange effects related to the strengthening of international currencies, particularly the Euro, Australian dollar, and South African rand, increased selling, general and administrative expenses by approximately $4.0 million in the current quarter.

Research and Development Expense. Research and development expense for the six months ended June 30, 2004 was $10.3 million, an increase of $406,000, or 4%, compared to $9.9 million for the first quarter of 2004.

Depreciation and Amortization Expense. Depreciation and amortization expense was $11.6 million for the six months ended June 30, 2004, an increase of $531,000, or 5%, compared to $11.1 million for the same period last year. The increase was primarily due to production equipment additions made in North America in response to higher sales volumes.

Interest Expense. Interest expense for the six months ended June 30, 2004 was $1.7 million, a decrease of $563,000, or 25%, compared to $2.3 million in the same period last year. Interest expense for the six months ended June 30, 2004 was favorably affected by a realized gain of $678,000 on an interest rate swap transaction that was terminated during the first quarter.

Currency Exchange Adjustments. Currency exchange adjustments resulted in a loss of $1.9 million during the six months ended June 30, 2004 compared to a gain of $1.8 million in the same period last year. The current period loss was primarily due to the weakening of the Euro and the Canadian dollar. The gain during the first six months of 2003 related to the strengthening of the same currencies.

Other Income. Other income for the six months ended June 30, 2004 was $1.5 million, an increase of $1.0 million compared to $530,000 in the same period last year. Approximately half of the increase related to recognition of a portion of the deferred gain on the third quarter 2003 sale and leaseback of property in Germany. The remainder of the increase was related to the lower costs associated with our accounts receivable securitization arrangement with Mine Safety Funding Corporation.

Income Taxes. The effective tax rate for the six months ended June 30, 2004 was 37.4% compared to 38.6% for the same period last year. The lower effective rate related primarily to our expectations regarding research and development credits and rate effects attributable to international operations.

Net Income from Continuing Operations. Net income from continuing operations for the six months ended June 30, 2004 was $34.3 million, or $0.93 per basic share, compared to $22.7 million, or $0.62 per basic share, in the same period last year.

North America segment net income from continuing operations for the six months ended June 30, 2004 was $27.7 million, an increase of $10.7 million, or 62%, compared to $17.0 million for the same period in 2003. The improvement in North American net income was due to the previously discussed sales growth.

Europe segment net income from continuing operations for the six months ended June 30, 2004 was $4.1 million, an improvement of $2.0 million, or 97%, over income of $2.1 million for the same period last year. The net income improvement was primarily due to product mix changes in France. During the first half of 2003, we shipped significant quantities of military helmets to the French army at lower gross margins. In 2004 the product mix included proportionately higher sales of fire helmets at higher gross margins.

International segment net income from continuing operations for the six months ended June 30, 2004 was $3.3 million, an increase of $419,000, or 15%, compared to income of $2.9 million in the same period last year. The improvement in International segment net income in 2004 reflects modest declines in income in Australia and Japan, on lower sales, offset by favorable currency exchange effects of approximately $500,000 when stated in U.S. dollars. Net income for the first half of 2003 included a one-time accounts receivable write-off of approximately $600,000 after-tax due to a customer bankruptcy in Chile.

LIQUIDITY AND CAPITAL RESOURCES

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

Cash and cash equivalents decreased $11.6 million during the six months ended June 30, 2004 compared to a decrease of $15.3 million in the same period last year.

During the six months ended June 30, 2004, continuing operations provided $10.2 million in cash, compared to providing $1.1 million in the six months ended June 30, 2003. The improvement in the current period was primarily related to higher income from continuing operations, partially offset by an increase in net operating assets, particularly inventory. Accounts receivable increased approximately $17.1 million during the first half of 2004 compared to an increase of $24.1 million in the first half of 2003. This improvement was partially offset by the use of approximately $15.2 million in the first half of 2004 to fund higher inventory levels.

Discontinued operations provided $2.1 million of cash during the six months ended June 30, 2004, primarily through collection of trade receivables that were reported as assets held for sale at December 31, 2003. In the first half of 2003, discontinued operations provided cash of $5.6 million, primarily through collection of trade receivables and inventory reductions.

Investing activities used cash of $16.5 million during the six months ended June 30, 2004, compared to using $9.0 million in the same period last year. The increased use of cash in the current period related to higher property additions, primarily production equipment, a $1.5 million installment payment on a technology transfer agreement that we finalized in 2003, and $4.2 million for the acquisition of Sordin AB.

Financing activities used $6.1 million of cash in the six months ended June 30, 2004, compared to using $14.2 million in the same period last year. The higher use of cash for financing activities in 2003 was primarily related to short term debt. During the first half of 2003, we used $8.9 million of cash to reduce borrowings under our short-term lines of credit in the U.S.

Long-term debt, including the current portion at June 30, 2004 was $63.5 million, or 16.0% of total capital. For purposes of this calculation, total capital is defined as long-term debt plus the current portion of long-term debt and shareholders’ equity.

ACCOUNTS RECEIVABLE SECURITIZATION

We have entered into securitization arrangements with a financial institution under which Mine Safety Funding Corporation, a consolidated wholly-owned bankruptcy remote subsidiary of the company may sell up to $30.0 million of eligible accounts receivable to a multi-seller asset-backed commercial paper issuer. Securitized accounts receivable are removed from our balance sheet when sold.

The actual amount of accounts receivable eligible to be securitized each month is a function of the net change (new billings, less collections) of eligible accounts receivable, the impact of detailed eligibility requirements in the agreement, such as the aging, terms of payment, quality criteria and customer concentrations, and the application of various reserves, which are typical in securitization transactions. A decrease in the amount of eligible accounts receivable could result in our inability to continue to securitize all or a portion of our accounts receivable. It is not unusual, however, for the amount of our eligible accounts receivable to vary by up to $5.0 to $10.0 million per month. The commercial paper conduit charges us fees based on the level of accounts receivable securitized under this arrangement and the commercial paper market rates plus the financial institution's cost to administer the program.

At June 30, 2004, $10.0 million of securitized accounts receivable had been removed from our balance sheet under this program. Our retained interest in accounts receivable available for securitization was $57.6 million at June 30, 2004.

At December 31, 2003, $15.0 million of securitized accounts receivable had been removed from our balance sheet under this program. Our retained interest in accounts receivable available for securitization was $40.0 million at December 31, 2003.

CUMULATIVE TRANSLATION ADJUSTMENTS

The June 30, 2004 and December 31, 2003 positions of the U.S. dollar relative to international currencies resulted in translation losses of $2.7 million being charged to the cumulative translation adjustments shareholders' equity account in the six months ended June 30, 2004 compared to translation gains of $6.8 million in same period of 2003. Approximately $2.0 million of the translation loss in the six months ended June 30, 2004 related to our operations in Europe and reflect a weaker Euro. The remainder of the translation loss related primarily to our operations in Australia, Brazil, and Chile. Translation gains in 2003 reflect the strengthening of most currencies against the U.S. dollar. The most significant gains in 2003 related to our operations in Europe and Australia.

COMMITMENTS AND CONTINGENCIES

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

During the third quarter of 2003, we sold our real property in Berlin, Germany for approximately $25.7 million, resulting in a gain of approximately $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 gain was deferred and is being amortized over the term of the lease.

On September 12, 2003, we entered into a lease agreement with BASF Corporation 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 and we have the option to renew for five successive one year periods.

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 1,850 lawsuits involving primarily respiratory protection products allegedly manufactured and sold by us. Collectively, these lawsuits represent a total of approximately 30,000 plaintiffs. Approximately 85% 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, 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 reevaluate our exposures on an ongoing basis and make adjustments to reserves 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 position.

In connection with our sale of Callery Chemical facility in Evans City, Pennsylvania, we have retained responsibility for certain environmental costs at this site, where relatively low levels of contamination are known to exist. Under the terms of the asset purchase agreement with BASF, our maximum liability for these matters is capped at $50.0 million. Based on environmental studies performed prior to the sale of the division, we do not currently believe that we have any remediation obligations.

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 ongoing 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.

We believe that the following are the more critical judgments and estimates used in preparation of our financial statements.

Accounting for contingencies. We accrue for contingencies in accordance with FAS No. 5, Accounting for Contingencies, when we believe that it is probable that a liability or loss has been incurred and the amount can be reasonably estimated. Contingencies relate to uncertainties that require our judgment both in assessing whether or not a liability or loss has been incurred and in estimating the amount of the probable loss. Significant contingencies affecting our financial statements include pending or threatened litigation, including product liability claims, and product warranties.

Product liability. We face an inherent business risk of exposure to product liability claims arising from the alleged failure of our products to prevent the types of personal injury or death against which they are designed to protect. We accrue for our estimates of the probable costs to be incurred in the resolution of the uninsured portion of product liability claims. These estimates are based on actuarial valuations, past experience, and our judgments regarding the probable outcome of pending and threatened claims. Due to uncertainty as to the ultimate outcome of pending and threatened claims, as well as the incidence of future claims, it is possible that future results could be materially affected by changes in our assumptions and estimates related to product liability matters. Our product liability expense averaged less than 1% of net sales from continuing operations during the three years ended December 31, 2003.

Product warranties. We accrue for the estimated probable cost of product warranties at the time that sales are recognized. Our estimates are principally based on historical experience. We also accrue for our estimates of the probable costs of corrective action when significant product quality issues are identified. These estimates are principally based on our assumptions regarding the cost of corrective action and the probable number of units to be repaired or replaced. Our product warranty obligation is affected by product failure rates, material usage, and service delivery costs incurred in correcting a product failure. Due to the uncertainty and potential volatility of these factors, it is possible that future results could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these matters. Our product warranty expense averaged less than 2% of net sales during the three years ended December 31, 2003.

Income taxes. We account for income taxes in accordance with FAS No. 109, Accounting for Income Taxes, which requires that deferred tax assets and liabilities be recognized using enacted tax rates for the effect of temporary differences between the book and tax basis of recorded assets and liabilities. FAS No. 109 also requires that deferred tax assets be reduced by valuation allowances if it is more likely than not that some portion of the deferred tax asset will not be realized.

We record valuation allowances to reduce deferred tax assets to the amounts that we estimate are probable to be realized. When assessing the need for valuation allowances, we consider projected future taxable income and prudent and feasible tax planning strategies. Should a change in circumstances lead to a change in our judgments about the realizability of deferred tax assets in future years, we would adjust the related valuation allowances in the period that the change in circumstances occurs, along with a corresponding charge or credit to income. Valuation allowances as of June 30, 2004 were not significant.

We record an estimated income tax liability based on our best judgment of the amounts likely to be paid in the various tax jurisdictions in which we operate. The tax liabilities ultimately paid are dependent on a number of factors, including the resolution of tax audits, and may differ from the amounts recorded. Tax liabilities are adjusted through income when it becomes probable that the actual liability differs from the amount recorded.

Pensions and other postretirement benefits. We account for our pension and postretirement benefit plans as required under FAS No. 87, Employers' Accounting for Pensions, and FAS No. 106, Employers' Accounting for Postretirement Benefits Other than Pensions. Accounting for the net periodic benefit costs and credits for these plans requires us to estimate the cost of benefits to be provided well into the future and to attribute these costs over the expected work life of the employees participating in these plans. These estimates require our judgment about discount rates used to determine these obligations, expected returns on plan assets, rates of future compensation increases, rates of increase in future health care costs, participant withdrawal and mortality rates, and participant retirement ages. Differences between our estimates and actual results may significantly affect the cost of our obligations under these plans and could cause net periodic benefit costs and credits to change materially from year-to-year.

Goodwill. As required by FAS No. 142, Goodwill and Other Intangible Assets, each year we evaluate for goodwill impairment by comparing the fair value of each of our reporting units with its carrying value. If carrying value exceeds fair value, then a possible impairment of goodwill exists and requires further evaluation. We estimate the fair value of our reporting units using a combination of discounted cash flow analysis and market capitalization based on historical and projected financial information. We apply our best judgment in assessing the reasonableness of the financial projections and other estimates used to determine the fair value of each reporting unit.

RELATED PARTY TRANSACTIONS

We do not have any related party transactions that materially affect our results of operations, cash flow or financial condition.

RECENTLY ISSUED ACCOUNTING STANDARDS

In January 2003, the Financial Accounting Standards Board, or FASB, issued FASB Interpretation No., or FIN, 46, Consolidation of Variable Interest Entities. FIN 46 establishes criteria to be used in determining whether an investment in a variable interest entity should be consolidated and is based on the premise that companies that control another entity through interests other than voting interests should consolidate the controlled entity. The provisions of FIN 46, which we adopted in the quarter ended March 31, 2004, did not have a material effect on our financial position, results of operations or cash flow.

In May 2004, the FASB issued Staff Position No. 106-2, Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003. This act introduces a prescription drug benefit under Medicare Part D, as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. Specific authoritative guidance on accounting for the federal subsidy is pending, and that guidance, when issued, could require plan sponsors to change previously reported information. We are currently evaluating the effect of the act on us and do not expect that the reductions in postretirement benefit costs will be significant. In accordance with FASB Staff Position No. 106-2, we will begin accounting for the effect of the act during third quarter 2004. Accordingly, the net periodic postretirement benefit costs and liability included in the financial statements do not reflect any potential effects of the act.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks and other factors include, among other things: the availability of government funding in the fire service, homeland security and military markets; our ability to compete successfully against current and future competitors; the timely and successful introduction of new products; risks inherent in litigation, including product liability claims; currency exchange rate fluctuations and various political and economic risks associated with international operations; fluctuations in the cost and availability of purchased materials and components; our ability to successfully identify and integrate future acquisitions; and the impact of unforeseen economic and political changes, including the threat of terrorism and its potential consequences. In some cases, you can identify forward-looking statements by words such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable words. These statements are only predictions and are not guarantees of future performance. Therefore, actual events or results may differ materially from those expressed or forecast in these forward-looking statements. In evaluating these statements, you should specifically consider various factors, including the risks outlined under "Risk factors" in this prospectus.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are under no duty to update publicly any of the forward-looking statements after the date of this prospectus whether as a result of new information, future events or otherwise.

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. By the very nature of our global operations, our cash flow and earnings are subject to fluctuations due to exchange rate changes. Because we operate in a number of locations around the world, currency exchange risk is well diversified. When appropriate, we may attempt to limit our exposure to changes in currency exchange rates through both operational and financial market actions. These actions may include contracts and other actions designed to reduce existing exposures by essentially creating offsetting currency exposures. At June 30, 2004, 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, 2004, the swap agreement had a notional amount of $20.0 million and a fair market value in favor of the bank of $850,000. The swap will expire in 2012. The notional amount of the swap declines $4.0 million per year beginning in 2008. A hypothetical increase of 10% in market interest rates would result in a decrease of approximately $625,000 in the fair value of the interest rate swap.

We have $52.0 million of fixed rate debt which matures at various dates through 2012. 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 $1.1 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

Disclosure Controls and Procedures

Management has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of June 30, 2004. These disclosure controls and procedures are the controls and other procedures that were designed to ensure that information required to be disclosed in reports that are filed with or submitted to the SEC is: (1) accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures and (2) recorded, processed, summarized and reported within the time periods specified in applicable law and regulations. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2004, the company's disclosure controls and procedures were effective.

Internal Controls

As of June 30, 2004, there have not been any changes in the company's internal control over financial reporting that occurred during the fiscal quarter covered by this quarterly report, which have materially affected, or are reasonably likely to materially affect, the company's internal control over financial reporting.

PART II OTHER INFORMATION
MINE SAFETY APPLIANCES COMPANY

Item 1. Legal Proceedings

Not Applicable

Item 2. Changes in Securities, Use of Proceeds and Issuer Purchases of Equity Securities.

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, 2004	11,460	$ 32.58	11,460	110,641
May 1 - May 31, 2004	—	—	—	110,641
June 1 - June 30, 2004	—	—	—	110,641

On December 19, 1996, the company announced that its Board of Directors had authorized management to purchase up to 4,500,000 split-adjusted shares of common stock from time to time in private transactions and on the open market. The share purchase program has no expiration date. The company does not have any other share repurchase programs.

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

(a) April 29, 2004 - Annual Meeting

(b) Directors elected at Annual Meeting:

James A. Cederna
John T. Ryan III
John C. Unkovic
Diane M. Pearse

Directors whose term of office continued after the meeting:

Calvin A. Campbell, Jr.
Thomas B. Hotopp
L. Edward Shaw, Jr.
Thomas H. Witmer

(c) Election of three Directors for a term of three years:

James A. Cederna	For	37,969,559
	Withhold	427,017
	Abstentions/ Broker Nonvotes	0
John T. Ryan III	For	34,219,258
	Withhold	4,177,318
	Abstentions/ Broker Nonvotes	0
John C. Unkovic	For	34,319,929
	Withhold	4,076,647
	Abstentions/ Broker Nonvotes	0

Election of one Director for a term of one year:

Diane M. Pearse	For	38,055,689
	Withhold	340,887
	Abstentions/ Broker Nonvotes	0

Selection of PricewaterhouseCoopers LLP as independent accountants for the year ending December 31, 2004.

For	38,138,823
Against	253,913
Abstentions/ Broker Nonvotes	3,840

(d) Not Applicable

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

(10)(i) First Amendment to the 1998 Management Share Incentive Plan as of March 10, 1999

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 pursuant to 18 U.S.C. (S)1350

(b) Reports on Form 8-K

During the quarter ended June 30, 2004, the company filed or furnished the following reports on Form 8-K:

Date	Contents
April 30	Item 9 (pursuant to Item 12) - press release announcing financial results for the quarter and year ended March 31, 2004.
June 29	Item 5 (Other Events and Regulation FD Disclosure) - On June 25, 2004, the Company issued a press release announcing the pricing of a secondary public offering of company's common stock. On June 28, 2004, the Company issued a press release announcing the company's common stock on the New York Stock Exchange.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MINE SAFETY APPLIANCES COMPANY

Date: August 6, 2004

By /s/ Dennis L. Zeitler

Dennis L. Zeitler
Vice President - Finance;
Duly Authorized Officer and
Principal Financial Officer

Exhibit 10(i)

MINE SAFETY APPLIANCES COMPANY

1998 MANAGEMENT SHARE INCENTIVE PLAN

(As Amended March 10, 1999)

Section 1. Purpose.

The purpose of the 1998 Management Share Incentive Plan of Mine Safety Appliances Company (the “Plan”) is to benefit the Company’s shareholders by encouraging high levels of performance by individuals whose performance is a key element in achieving the Company’s continued success by rewarding the creation of shareholder value, and to enable the Company to recruit, reward, retain and motivate employees to work as a team to achieve the Company’s goals.

Section 2. Definitions in Last Section.

For purposes of the Plan, capitalized terms, unless defined where the respective term first appears in this Plan, shall have the meanings given in the last Section hereof.

Section 3. Eligibility.

Awards may be granted only to Employees who are designated as Participants from time to time by the Committee. The Committee shall determine which Employees shall be Participants, the types of Awards to be made to Participants and the terms, conditions and limitations applicable to the Awards.

Section 4. Awards.

Awards may include, but are not limited to, those described in this Section 4. The Committee may grant Awards singly, in tandem or in combination with other Awards, as the Committee may in its sole discretion determine; provided that Stock Options may not be granted in tandem with Incentive Stock Options. Subject to the other provisions of this Plan, Awards may also be granted in combination or in tandem with, in replacement of, or as alternatives to, grants or rights under this Plan and any other employee benefit or compensation plan of the Company.

4.1 Stock Options

A Stock Option is a right to purchase a specified number of Shares at a specified price during such specified time as the Committee shall determine.

(a) Options granted may be either of a type that complies with the requirements of incentive stock options as defined in Section 422 of the Code (“Incentive Stock Options”) or of a type that does not comply with such requirements (“Non-Qualified Stock Options”). The requirements imposed by the Code and the regulations thereunder for qualification as an Incentive Stock Option, whether or not specified in this Plan, shall be deemed incorporated within any Award Agreement pertaining to an Incentive Stock Option.

(b) The exercise price per Share of any Stock Option which is intended to be an Incentive Stock Option shall be no less than the Fair Market Value per Share subject to the option on the date the Stock Option is granted, except that in the case of an Incentive Stock Option granted to an Employee who, immediately prior to such grant, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any subsidiary (a “Ten Percent Employee”), the exercise price per Share shall not be less than one hundred ten percent (110%) of such Fair Market Value per Share on the date the Incentive Stock Option is granted. For purposes of this Section 4.1(b), an individual (i) shall be considered as owning not only shares of stock owned individually but also all shares of stock that are at the time owned, directly or indirectly, by or for the spouse, ancestors, lineal descendants and brothers and sisters (whether by the whole or half blood) of such individual and (ii) shall be considered as owning proportionately any shares owned, directly or indirectly, by or for any corporation, partnership, estate or trust in which such individual is a shareholder, partner or beneficiary.

(c) The term of any Stock Option which is intended to be an Incentive Stock Option shall not be greater than ten years from its date of grant, except that in the case of a Ten Percent Employee, such term shall not be greater than five years.

(d) A Stock Option may be exercised, in whole or in part, by giving written notice of exercise to the Company, specifying the number of Shares to be purchased.

(e) The exercise price of the Stock Option may be paid in cash or, at the discretion of the Committee, may also be paid by the tender of Stock already owned by the Participant, or through a combination of cash and Stock, or through such other means the Committee determines are consistent with the Plan's purpose and applicable law. No fractional Shares will be issued or accepted.

(f) Notwithstanding any other provision contained in the Plan or in any Award Agreement, but subject to the possible exercise of the Committee's discretion contemplated in the last sentence of this Section 4.1(f), the aggregate Fair Market Value on the date of grant, of the Shares with respect to which Incentive Stock Options are exercisable for the first time by an Employee during any calendar year under all plans of the corporation employing such Employee, any parent or subsidiary corporation of such corporation and any predecessor corporation of any such corporation shall not exceed $100,000. If the date on which one or more of such Incentive Stock Options could first be exercised would be accelerated pursuant to any provision of the Plan or any Award Agreement, and the acceleration of such exercise date would result in a violation of the restriction set forth in the preceding sentence, then, notwithstanding any such provision, but subject to the provisions of the next succeeding sentence, the exercise dates of such Incentive Stock Options shall be accelerated only to the date or dates, if any, that do not result in a violation of such restriction and, in such event, the exercise dates of the Incentive Stock Options with the lowest option prices shall be accelerated to the earliest such dates. The Committee may, in its discretion, authorize the acceleration of the exercise date of one or more Incentive Stock Options even if such acceleration would violate the $100,000 restriction set forth in the first sentence of this paragraph and even if such Incentive Stock Options are thereby converted in whole or in part to Non-Qualified Stock Options.

4.2 Stock Appreciation Rights

A Stock Appreciation Right is a right to receive, upon surrender of the right, an amount payable in cash and/or Shares under such terms and conditions as the Committee shall determine.

(a) A Stock Appreciation Right may be granted in tandem with part or all of (or in addition to, or completely independent of) a Stock Option or any other Award under this Plan. A Stock Appreciation Right issued in tandem with a Stock Option may be granted at the time of grant of the related Stock Option or at any time thereafter during the term of the Stock Option; provided, however, that a Stock Appreciation Right issued in tandem with an Incentive Stock Option can only be granted at the time of grant of the Incentive Stock Option.

(b) The amount payable in cash and/or Shares with respect to each right shall be equal in value to a percentage (including up to 100%) of the amount by which the Fair Market Value per Share on the exercise date exceeds the Fair Market Value per Share on the date of grant of the Stock Appreciation Right. The applicable percentage shall be established by the Committee. The Award Agreement may state whether the amount payable is to be paid wholly in cash, wholly in Shares or partly in each; if the Award Agreement does not so state the manner of payment, the Committee shall determine such manner of payment at the time of payment. The amount payable in Shares, if any, is determined with reference to the Fair Market Value per Share on the date of exercise.

(c) Stock Appreciation Rights issued in tandem with Stock Options shall be exercisable only to the extent that the Stock Options to which they relate are exercisable. Upon exercise of the tandem Stock Appreciation Right, and to the extent of such exercise, the Participant's underlying Stock Option shall automatically terminate. Similarly, upon the exercise of the tandem Stock Option, and to the extent of such exercise, the Participant's related Stock Appreciation Right shall automatically terminate.

(d) Notwithstanding any other provision of this Plan to the contrary, with respect to a Stock Appreciation Right granted in connection with an Incentive Stock Option: (i) the Stock Appreciation Right will expire no later than the expiration of the underlying Incentive Stock Option; (ii) the value of the payout with respect to the Stock Appreciation Right may be for no more than one hundred percent (100%) of the difference between the exercise price of the underlying Incentive Stock Option and the Fair Market Value of the Shares subject to the underlying Incentive Stock Option at the time the Stock Appreciation Right is exercised; and (iii) the Stock Appreciation Right may be exercised only when the Fair Market Value of the Shares subject to the Incentive Stock Option exceeds the per Share exercise price of the Incentive Stock Option.

4.3 Restricted Stock

Restricted Stock is Stock that is issued to a Participant and is subject to such terms, conditions and restrictions as the Committee deems appropriate, which may include, but are not limited to, restrictions upon the sale, assignment, transfer or other disposition of the Restricted Stock and the requirement of forfeiture of the Restricted Stock upon termination of employment under certain specified conditions. The Committee may provide for the lapse of any such term or condition or waive any term or condition based on such factors or criteria as the Committee may determine. Subject to the restrictions stated in this Section 4.3 and in the applicable Award Agreement, the Participant shall have, with respect to Awards of Restricted Stock, all of the rights of a shareholder of the Company, including the right to vote the Restricted Stock and the right to receive any cash dividends on such Stock. Unless otherwise determined by the Committee, dividends or other distributions on Restricted Stock which are paid in Shares or other securities or property shall be held subject to the same terms, conditions and restrictions as the Restricted Stock on which they are paid.

4.4 Performance Awards

Performance Awards may be granted under this Plan from time to time based on such terms and conditions as the Committee deems appropriate; provided that such Awards shall not be inconsistent with the terms and purposes of this Plan. Performance Awards are Awards the payment or vesting of which is contingent upon the achievement of specified levels of performance under specified Performance Criteria during a specified Performance Period by the Company, a subsidiary or subsidiaries, any branch, department or other portion thereof or the Participant individually, as determined by the Committee at the time the Performance Award is granted. Performance Awards may be in the form of performance units, performance shares and such other forms of Performance Awards as the Committee shall determine. The maximum amount that may be paid in cash or in Fair Market Value (determined as of the date of payment or vesting) of Shares or other securities under all Performance Awards under the Plan paid to any one Participant during a calendar year shall in no event exceed $200,000.

4.5 Other Awards

The Committee may from time to time grant Stock, other Stock-based and non-Stock-based Awards under the Plan (singly, in tandem or in combination with other Awards), including without limitation those Awards pursuant to which Shares are or may in the future be acquired, Awards denominated in Stock units, securities convertible into Stock, phantom securities, dividend equivalents and cash. The Committee shall determine the terms and conditions of such other Stock, Stock-based and non-Stock-based Awards, provided that such Awards shall not be inconsistent with the terms and purposes of this Plan.

Section 5. Award Agreements.

Each Award under this Plan shall be evidenced by an Award Agreement setting forth the number of Shares or other securities, Stock Appreciation Rights, or units subject to the Award, if any, and such other terms and conditions applicable to the Award (and not inconsistent with this Plan) as are determined by the Committee.

(a) Award Agreements shall include the following terms:

(i) *Non-assignability*: A provision that the relevant Award shall not be assigned, pledged or otherwise transferred except by will or by the laws of descent and distribution and that during the lifetime of a Participant, the Award shall be exercised only by such Participant or by the Participant's guardian or legal representative; provided, however, that, in the Committee's discretion, and except in the case of Incentive Stock Options, an Award Agreement may expressly provide for specifically limited transferability.

(ii) *Termination of Employment*: A provision describing the treatment of an Award in the event of the Retirement, Disability, death or other termination of a Participant's employment with the Company, including but not limited to terms relating to the vesting, time for exercise, forfeiture or cancellation of an Award in such circumstances.

(iii) *Rights as Shareholder*: A provision that a Participant shall have no rights as a shareholder with respect to any securities covered by an Award until the date the Participant becomes the holder of record. Except as provided in Section 8 hereof, no adjustment shall be made for dividends or other rights, unless the Award Agreement specifically requires such adjustment, in which case, grants of dividend equivalents or similar rights shall not be considered to be a grant of any other shareholder right.

(iv) *Withholding*: A provision requiring the withholding of applicable taxes required by law from all amounts paid in satisfaction of an Award to a Participant. In the case of an Award paid in cash, the withholding obligation shall be satisfied by withholding the applicable amount and paying the net amount in cash to the Participant. In the case of Awards paid in Shares or other securities of the Company, (i) a Participant may satisfy the withholding obligation by paying the amount of any taxes in cash, (ii) with the approval of the Committee (or, in the case of deduction, by the unilateral action of the Committee), Shares or other securities may be deducted by the Company from the payment or delivered to the Company by the Participant to satisfy the obligation in full or in part as long as such withholding or delivery of Shares or other securities does not violate any applicable laws, rules or regulations of federal, state or local authorities. The number of Shares or other securities to be deducted or delivered shall be determined by reference to the Fair Market Value of such Shares or securities on the applicable date.

(b) Award Agreements may include such other terms as are necessary and appropriate to effect an Award to the Participant, including but not limited to (i) the term of the Award, (ii) vesting provisions, (iii) deferrals, (iv) any requirements for continued employment with the Company, (v) any other restrictions or conditions (including performance requirements) on the Award and the method by which restrictions or conditions lapse, (vi) the effect upon the Award of a Change in Control, (vii) the price, amount or value of Awards, (viii) such Participant's permitted transferees, if any, (ix) all Shares issued or issuable to such Participant in connection with an Award in the event of such Participant's termination of employment, and (x) any other terms and conditions which the Committee shall deem necessary and desirable.

Section 6. Shares of Stock Subject to the Plan.

(a) Subject to the adjustment provisions of Section 8 hereof, the maximum aggregate number of Shares which may be granted pursuant to the Plan is 600,000 Shares.

(b) Any Shares which are subject to any unexercised or undistributed portion of any terminated, expired, exchanged or forfeited Award (or Awards settled in cash in lieu of Shares) shall become available for grant pursuant to new Awards.

(c) The Committee may make such additional rules for determining the number of Shares granted under the Plan as it deems necessary or appropriate.

(d) The Stock which may be issued pursuant to an Award under the Plan may be treasury Stock or authorized but unissued Stock or Stock acquired, subsequently or in anticipation of the transaction, in the open market or otherwise to satisfy the requirements of the Plan, or any combination of such Stock.

(e) Subject to the adjustment provisions of Section 8 hereof, the maximum aggregate number of Shares available for grants of Stock Options or Stock Appreciation Rights to any one Participant under the Plan shall not exceed 300,000 Shares. The limitation in the preceding sentence shall be interpreted and applied in a manner consistent with Section 162(m) of the Code.

Section 7. Administration.

(a) The Plan and all Awards granted pursuant thereto shall be administered by the Committee so that, insofar as is possible and practicable, transactions with respect to Awards under the Plan shall be exempt from Section 16(b) of the Exchange Act. A majority of the members of the Committee shall constitute a quorum. The vote of a majority of a quorum (or the unanimous consent in writing of the members of the Committee) shall constitute action by the Committee.

(b) The Committee shall periodically determine the Participants in the Plan and the nature, amount, pricing, timing, and other terms of Awards to be made to such individuals.

(c) The Committee shall have the power to interpret and administer the Plan. All questions of interpretation with respect to the Plan, the number of Shares or other securities, Stock Appreciation Rights, or units granted, and the terms of any Award Agreements shall be determined by the Committee, and its determination shall be final and conclusive upon all parties in interest. In the event of any conflict between an Award Agreement and the Plan, the terms of the Plan shall govern.

(d) The Committee may delegate to the officers or employees of the Company the authority to execute and deliver such instruments and documents, to do all such ministerial acts and things, and to take all such other ministerial steps deemed necessary, advisable or convenient for the effective administration of the Plan in accordance with its terms and purpose.

(e) Notwithstanding the foregoing provisions of this Section 7, no power given the Committee herein shall be used after a Change in Control to affect detrimentally the rights of any Participant with respect to any Awards hereunder which are outstanding immediately prior to the Change in Control.

Section 8. Equitable Adjustments.

Subject to any required action by the Company's shareholders, upon the occurrence of any event which affects the Shares 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), recapitalization, stock split, reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase, or share exchange, or other similar corporate transaction or event), the Committee 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 any exercise price specified in the outstanding Awards 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.

Section 9. Change in Control.

Notwithstanding any other provision of the Plan to the contrary, and unless the applicable Award Agreement shall otherwise provide, immediately prior to any Change in Control of the Company, (i) all Stock Options and freestanding Stock Appreciation Rights which are then outstanding hereunder shall become fully vested and exercisable, (ii) all restrictions with respect to Shares of Restricted Stock which are then outstanding hereunder shall lapse, and such Shares shall be fully vested and nonforfeitable, and (iii) with respect to all Performance Awards which are then outstanding hereunder, all uncompleted Performance Periods shall be deemed to have been completed, the target level of performance set forth with respect to each Performance Criterion under such Performance Awards shall be deemed to have been attained and a pro rata portion (based on the ratio of (i) the number of full and partial months which have elapsed from the beginning of the Performance Period through the Change in Control to (ii) the number of months originally contained in the Performance Period) of each such Performance Award shall become payable to the respective Participant, with the remainder of each such Performance Award being cancelled for no value.

Section 10. Rights of Employees.

(a) Status as an eligible Employee shall not be construed as a commitment that any Award will be made under the Plan to such eligible Employee or to eligible Employees generally.

(b) Nothing contained in the Plan (or in any other documents related to this Plan or to any Award) shall confer upon any Employee or Participant any right to continue in the employ of the Company or any of its subsidiaries or constitute any contract or limit in any way the right of the Company or any subsidiary to change such person's compensation or other benefits or to terminate the employment of such person with or without cause.

Section 11. Compliance with Applicable Legal Requirements.

Awards shall be subject to the requirement that if at any time the Committee shall determine, in its discretion, that the listing, registration or qualification of the Shares subject to the Awards upon any securities exchange or under any state or federal securities or other law or regulation, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition to or in connection with the granting of the Awards or the issuance or purchase of Shares thereunder, no Awards may be granted or exercised, in whole or in part, unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee. The holders of such Awards will supply the Company with such certificates, representations and information as the Company shall request and shall otherwise cooperate with the Company in obtaining such listing, registration, qualification, consent or approval.

Section 12. Amendment and Termination.

The Board may at any time amend, suspend or terminate the Plan. The Committee may at any time alter or amend any or all Award Agreements under the Plan to the extent permitted by law. However, no such action by the Board or by the Committee shall impair the rights of Participants under outstanding Awards without the consent of the Participants affected thereby. Further, the Board shall not amend the Plan without the approval of the Company's shareholders to the extent such approval is required by law, agreement or the rules of any exchange upon which the Stock shall be listed (or if the Stock shall be admitted to quotation on the National Association of Securities Dealers Automated Quotation ("NASDAQ") System, the rules of NASDAQ).

Section 13. Unfunded Plan.

The Plan shall be unfunded. Neither the Company nor the Board shall be required to segregate any assets that may at any time be represented by Awards made pursuant to the Plan. Neither the Company, the Committee, nor the Board shall be deemed to be a trustee of any amounts to be paid under the Plan.

Section 14. Limits of Liability.

(a) Any liability of the Company to any Participant with respect to an Award shall be based solely upon contractual obligations created by the Plan and the Award Agreement.

(b) Neither the Company nor any member of the Board or of the Committee, nor any other person participating in any determination of any question under the Plan, or in the interpretation, administration or application of the Plan, shall have any liability to any party for any action taken or not taken, in good faith under the Plan.

Section 15. Effective Date and Duration of the Plan.

The Plan shall become effective upon its adoption by the Board (the "Effective Date"); provided, however, that the grant of any Award shall be subject to and contingent upon obtaining the approval of this Plan by the Company's shareholders within twelve (12) months after the date the Plan is adopted by the Board. Subject to obtaining such approval, the Committee 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 12 hereof.

Section 16. 1987 Management Share Incentive Plan.

Outstanding grants of options, Restricted Stock and all other outstanding awards under the Company's 1987 Management Share Incentive Plan shall continue to be subject to, and administered in accordance with, the terms of that plan.

Section 18. Definitions.

For purposes of the Plan, the following terms, as used herein, shall have the respective meanings specified:

(a) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act.

(b) "Award" or "Awards" means an award granted pursuant to Section 4 hereof.

(c) "Award Agreement" means an agreement described in Section 5 hereof entered into between the Company and a Participant, setting forth the terms, conditions and any limitations applicable to the Award granted to the Participant.

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

(e) "Beneficiary" means a person or persons designated by a Participant (if the terms of the relevant Award Agreement permit such a designation) to receive, in the event of death, any unpaid portion of an Award held by the Participant. Any Participant so permitted by an Award Agreement may, subject to such limitations as may be prescribed by the Committee, designate one or more persons primarily or contingently as beneficiaries in writing upon forms supplied by and delivered to the Company, and may revoke such designations in writing. If a Participant having a right to designate a beneficiary under an Award Agreement fails effectively to designate a beneficiary, then the Award will be paid in the following order of priority:

(I) Surviving spouse;

(II) Surviving children in equal shares; or

(III) To the estate of the Participant.

(f) "Board" means the Board of Directors of the Company as it may be comprised from time to time.

(g) A "Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs of this Section 18(g) shall have occurred:

(I) any Person is or becomes the Beneficial Owner, 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) 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 March 11, 1998, 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 March 11, 1998 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 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.

(h) "Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute. References to specified provisions of the Code shall also include any successor provisions.

(i) "Committee" means a committee of the Board appointed to administer the Plan (which committee may also be the Compensation Committee of the Board). The Committee shall be composed of two or more directors as appointed from time to time to serve by the Board. If for any reason a Committee shall not have been appointed by the Board, the Board shall serve as such Committee.

(j) "Company" means Mine Safety Appliances Company, a Pennsylvania corporation, or any successor corporation (except that Company shall not mean any successor corporation thereto in determining under Section 18(g) hereof whether or not any Change in Control of the Company has occurred).

(k) "Disability" shall mean the inability, in the opinion of the Committee, of a Participant, because of an injury or sickness, to work at a reasonable occupation which is available with the Company or at any gainful occupation to which the Participant is or may become fitted, except that in the case of Incentive Stock Options, Disability shall mean permanent and total disability as defined in Section 422(e)(3) of the Code.

(1) "Employee" means any individual who is an employee of the Company or any Participating Subsidiary.

(m) "Exchange Act" means the Securities Exchange Act of 1934, as amended and in effect from time to time, or any successor statute.

(n) "Fair Market Value" of a Share, unless otherwise provided in the applicable Award Agreement, means:

(I) If the Stock is admitted to trading on one or more national securities exchanges,

(A) the average of the reported highest and lowest sale prices 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 average of the reported highest and lowest sales prices per Share on the last previous day for which there was a reported sale; or

(II) If the Stock is not admitted to trading on any national securities exchange, but is admitted to quotation on the NASDAQ System and has been designated as a NASDAQ National Market ("NNM") security,

(A) the average of the reported highest and lowest sale prices per Share as reported on NASDAQ on the relevant date; or

(B) in the absence of reported sales on that date, the average of the reported highest and lowest sales prices per Share on the last previous day for which there was a reported sale; or

(III) If the Stock is not admitted to trading on any national securities exchange, but is admitted to quotation on NASDAQ as a NASDAQ SmallCap Market security (and has not been designated as a NNM security), the average of the highest bid and lowest asked prices per Share on the relevant date; or

(IV) If the preceding clauses (I), (II) and (III) do not apply, the Fair Market Value determined by the Committee, using such criteria as it shall determine, in good faith and in its sole discretion, to be appropriate for such valuation.

(o) "Participant" means an Employee who has been designated by the Committee to receive an Award Pursuant to this Plan.

(p) "Participating Subsidiary" means a subsidiary of the Company, of which the Company beneficially owns (whether at the date of adoption of this Plan or at a later date), directly or indirectly, more than 50% of the aggregate voting power of all outstanding classes and series of stock.

(q) "Performance Award" means an Award which is granted pursuant to Section 4.4 hereof and is contingent upon the performance of all or a portion of the Company and/or its subsidiaries and/or which is contingent upon the individual performance of the Participant to whom it is granted.

(r) "Performance Criteria" means one or more preestablished, objective measures of performance during a Performance Period by the Company, a subsidiary or subsidiaries, any department or other portion thereof or the Participant individually, selected by the Committee in its discretion to determine whether a Performance Award has been earned in whole or in part. Performance Criteria may be based on earnings or earnings per share; earnings before interest and taxes; return on equity, assets or investment; sales, gross profits or expenses; or stock price. Performance Criteria based on such performance measures may be based either on the level of performance of the Company, subsidiary or portion thereof under such measure for the Performance Period and/or upon a comparison of such performance with the performance under such measure during a prior period or with the performance of a peer group of corporations selected or defined by the Committee at the time of making a Performance Award. The Committee may in its discretion also determine to use other objective performance measures as Performance Criteria.

(s) "Performance Period" means an accounting period of the Company or a subsidiary of not less than one year, as determined by the Committee in its discretion.

(t) "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, (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 Effective Date or any Affiliate of any such individual or entity, including, for purposes of this Section 18(t), 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.

(u) "Restricted Stock" means Shares which have certain restrictions attached to the ownership thereof, which may be issued under Section 4.3.

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(v) "Retirement" means retirement under any retirement plan of the Company or a Participating Subsidiary.

(w) "Share" means a share of Stock.

(x) "Stock" means the Common Stock, without par value, of the Company, or, in the event that the outstanding Common Stock is hereafter changed into, or exchanged for, different stock or securities, such other stock or securities.

(y) "Stock Appreciation Right" means a right, the value of which is determined relative to the appreciation in value of Shares, which may be issued under Section 4.2.

(z) "Stock Option" means a right to purchase Shares granted pursuant to Section 4.1 and includes Incentive Stock Options and Non-Qualified Stock Options as defined in Section 4.1

Exhibit 31.1

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

I, John T. Ryan III, 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(s) 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)) 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) 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

(c) 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(s) 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.

Date: August 6, 2004

/s/ John T. Ryan III

John T. Ryan III
Chief Executive Officer

Exhibit 31.2

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(s) 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)) 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) 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

(c) 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(s) 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.

Date: August 6, 2004

/s/ Dennis L. Zeitler

Dennis L. Zeitler
Chief Financial Officer

Exhibit 32

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, 2004 (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.

Dated: August 6, 2004

	/s/ John T. Ryan III
Name:	John T. Ryan III
Title:	Chief Executive Officer
	/s/ Dennis L. Zeitler
Name:	Dennis L. Zeitler
Title:	Chief Financial Officer