

MSA Safety Incorporated
Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures
Adjusted Continuing Operations Revenue (Unaudited)
(In thousands)

	Three Months Ended December 31,		% Change	Twelve Months Ended December 31,		% Change
	2014	2013		2014	2013	
Total revenue	\$ 323,411	\$ 303,571	6.5%	\$ 1,181,401	\$ 1,164,750	1.4%
Less: Discontinued operations	12,223	12,142		47,516	52,692	
Continuing operations revenue	<u>311,188</u>	<u>291,429</u>	6.8%	<u>1,133,885</u>	<u>1,112,058</u>	2.0%
Less: FX impact	<u>—</u>	<u>(12,181)</u>		<u>—</u>	<u>(20,315)</u>	
Adjusted continuing operations revenue	<u><u>311,188</u></u>	<u><u>279,248</u></u>	11.4%	<u><u>1,133,885</u></u>	<u><u>1,091,743</u></u>	3.9%

Adjusted continuing operations revenue is a non-GAAP measure. Management believes that it is important for investors to analyze continuing revenue trends excluding the impact of fluctuating foreign currencies, consistent with the methodology that management uses to perform trend analysis. However, weakening or strengthening foreign currencies may have a material impact on the company's reported results. As such, it is appropriate to consider both continuing operations revenue on a GAAP basis as well as adjusted continuing operations revenue.

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Adjusted Earnings / Earnings per Share (Unaudited)
(In thousands, except per share amounts)

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2014	2013	% Change	2014	2013	% Change
Net income attributable to MSA Safety Incorporated	\$ 32,687	\$ 25,411	28.6%	\$ 88,506	\$ 88,247	0.3%
Less: (Loss) income from discontinued operations	<u>(432)</u>	<u>482</u>		<u>1,059</u>	<u>2,389</u>	
Income from continuing operations	33,119	24,929	32.9%	87,447	85,858	1.9%
Restructuring charges	2,118	1,402		8,515	5,344	
Self-insured legal settlements and defense costs	1,607	317		3,893	1,697	
Currency exchange losses, net	1,151	1,304		1,509	5,452	
Asset related (gains) / losses	(1,731)	1,557		(2,116)	957	
Income tax (expense)	(997)	(1,374)		(3,812)	(3,941)	
Adjusted earnings	<u>35,267</u>	<u>28,135</u>	25.3%	<u>95,436</u>	<u>95,367</u>	0.1%
Adjusted earnings per basic share	<u>\$ 0.94</u>	<u>\$ 0.76</u>	23.7%	<u>\$ 2.55</u>	<u>\$ 2.57</u>	(0.8)%

Management believes that adjusted earnings and adjusted earnings per share are useful measures for investors when analyzing ongoing operating trends. There can be no assurances that additional special items will not occur in future periods, nor that MSA's definition of adjusted earnings is consistent with that of other companies. As such, management believes that it is appropriate to consider both net income determined on a GAAP basis as well as adjusted earnings.

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 Free Cash Flow (Unaudited)
 (In thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
Cash from operations	56,229	46,075	107,031	110,781
Capital expenditures	(9,350)	(10,303)	(33,583)	(36,517)
Free cash flow	46,879	35,772	73,448	74,264

Management believes that free cash flow is a meaningful measure for investors, as management reviews cash from operations after deducting capital expenditures because these expenditures are necessary to promote growth of MSA's business and are likely to produce cash from operations in future periods. It is important to note that free cash flow does not reflect the residual cash balance of the company for discretionary spending since other items, including debt and dividend payments, are deducted from free cash flow before arriving at the company's ending cash balance.