

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2014	2013	% Change	2014	2013	% Change
Total Revenue	\$ 289,804	\$ 278,245	4.2%	\$ 857,991	\$ 861,179	(0.4)%
Less: Discontinued operations	14,645	13,361		35,294	40,550	
Continuing operations revenue	<u>275,159</u>	<u>264,884</u>	3.9%	<u>822,697</u>	<u>820,629</u>	0.3%
Less: FX impact	<u>—</u>	<u>(1,645)</u>		<u>—</u>	<u>(8,209)</u>	
Adjusted continuing operations revenue	<u><u>275,159</u></u>	<u><u>263,239</u></u>	4.5%	<u><u>822,697</u></u>	<u><u>812,420</u></u>	1.3%

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. Management does not use this non-GAAP financial measure for any purpose other than the reasons stated above.

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Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures  
Adjusted Earnings / Earnings per Share (Unaudited)  
(In thousands, except per share amounts)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2014	2013	% Change	2014	2013	% Change
Net income attributable to MSA Safety Incorporated	\$ 19,305	\$ 19,501	(1.0)%	\$ 55,819	\$ 62,836	(11.2)%
Less: Income from discontinued operations	631	514		1,491	1,907	
Income from continuing operations	18,674	18,987	(1.6)%	54,328	60,929	(10.8)%
Foreign currency loss	315	1,836		358	4,148	
Restructuring charges	3,640	1,515		6,397	3,942	
Asset sale (gain)	—	(600)		—	(600)	
Income tax (expense)	(1,268)	(812)		(2,202)	(2,172)	
Adjusted earnings	21,361	20,926	2.1%	58,881	66,247	(11.1)%
Adjusted earnings per basic share	\$ 0.57	\$ 0.56	1.8%	\$ 1.58	\$ 1.78	(11.2)%

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. Management does not use these non-GAAP financial measures for any purpose other than the reasons stated above.

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Reconciliation of As Reported Financial Measures to Non-GAAP Financial Measures  
Free Cash Flow (Unaudited)  
(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Cash from operations	\$ 35,492	\$ 42,929	\$ 50,802	\$ 64,706
Capital expenditures	<u>(9,705)</u>	<u>(9,258)</u>	<u>(24,233)</u>	<u>(26,214)</u>
Free cash flow	<u>25,787</u>	<u>33,671</u>	<u>26,569</u>	<u>38,492</u>

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. Management does not use this non-GAAP financial measure for any purpose other than the reasons stated above.