

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

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

For the quarter ended March 31, 1997

Commission File No. 0-2504

MINE SAFETY APPLIANCES COMPANY

(Exact name of registrant as specified in its charter)

Pennsylvania

25-0668780

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

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

15238

(Address of principal executive offices)

(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.

Yes X

No

As of April 30, 1997, there were outstanding 5,187,792 shares of common stock without par value, including 600,000 shares held by the Mine Safety Appliances Company Stock Compensation Trust

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

	March 31 1997	December 31 1996
<b>ASSETS</b>		
Current assets		
Cash	\$ 4,485	\$ 7,963
Temporary investments, at cost plus accrued interest	31,658	17,133
Accounts receivable, less allowance (1997 - \$2,944; 1996 - \$2,993)	87,032	101,740
Inventories:		
Finished products	33,122	32,042
Work in process	14,390	15,311
Raw materials and supplies	28,475	29,687
	-----	-----
Total inventories	75,987	77,040
	-----	-----
Other current assets	24,508	24,531
	-----	-----
Total current assets	223,670	228,407
	-----	-----
Property, plant and equipment	346,596	347,432
Accumulated depreciation	(199,147)	(200,374)
	-----	-----
Net property	147,449	147,058
	-----	-----
Other assets	31,085	32,217
	-----	-----
TOTALS	\$ 402,204	\$ 407,682
	=====	=====
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Notes and accounts payable	\$ 42,244	\$ 35,823
Federal, foreign, state and local income taxes	8,240	9,156
Other current liabilities	43,983	46,835
	-----	-----
Total current liabilities	94,467	91,814
	-----	-----
Long-term debt	12,666	13,278
Noncurrent liabilities (principally employee/retiree benefits) and deferred credits	56,646	61,158
Shareholders' equity		
Preferred stock, 4-1/2% cumulative - authorized 100,000 shares of \$50 par value; issued 71,373 shares, callable at \$52.50 per share	3,569	3,569
Second cumulative preferred voting stock - authorized 1,000,000 shares of \$10 par value; none issued		
Common stock - authorized 20,000,000 shares of no par value; issued 6,767,413 and 6,749,733 (outstanding 4,591,137 and 4,611,125)	11,701	10,866
Common Stock Compensation Trust (600,000 shares)	(28,200)	(28,200)
Cumulative translation adjustments	(3,834)	1,430
Retained earnings	329,502	325,898
Less treasury shares, at cost:		
Preferred - 49,313 and 49,913 shares	(1,595)	(1,595)
Common - 1,576,273 and 1,538,608 shares	(72,718)	(70,536)
	-----	-----
Total shareholders' equity	238,425	241,432
	-----	-----
TOTALS	\$ 402,204	\$ 407,682
	=====	=====

MINE SAFETY APPLIANCES COMPANY  
CONSOLIDATED CONDENSED STATEMENT OF INCOME

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

	Three Months Ended March 31	
	1997	1996
Net sales	\$ 113,473	\$ 115,371
Other income	1,026	1,341
	-----	-----
	114,499	116,712
	-----	-----
Costs and expenses		
Cost of products sold	70,399	74,046
Selling, general and administrative	32,108	31,465
Depreciation	5,389	5,579
Interest	411	346
Currency exchange (gains)/losses	71	146
	-----	-----
	108,378	111,582
	-----	-----
Income from operations before income taxes	6,121	5,130
Income taxes	2,517	1,991
	-----	-----
Net income	\$ 3,604	\$ 3,139
	=====	=====
Earnings per common share	\$ 0.78	\$ 0.61
	=====	=====
Weighted average number of common shares outstanding	4,595,672	5,093,704
	=====	=====
Dividends paid on preferred stock	\$ 12	\$ 13
	=====	=====

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

	Three Months Ended March 31	
	1997	1996
<b>OPERATING ACTIVITIES</b>		
Income from operations	\$ 3,604	\$ 3,139
Depreciation	5,389	5,579
Deferred taxes, pensions, and other non-cash charges/(credits)	(1,509)	(876)
Changes in operating assets and liabilities	8,140	6,171
Other - principally currency exchange adjustments	(4,123)	(107)
	-----	-----
Cash flow from operating activities	11,501	13,906
	-----	-----
<b>INVESTING ACTIVITIES</b>		
Property additions	(7,857)	(2,967)
Property disposals	135	933
Acquisitions and other investing	(232)	(147)
	-----	-----
Cash flow from investing activities	(7,954)	(2,181)
	-----	-----
<b>FINANCING ACTIVITIES</b>		
Additions to long-term debt	23	0
Reductions of long-term debt	(453)	(491)
Cash dividends	(1,623)	(1,399)
Company stock sold and purchased	(1,347)	(9,811)
Changes in short term debt and notes payable	12,896	620
	-----	-----
Cash flow from financing activities	9,496	(11,081)
	-----	-----
Effect of exchange rate changes on cash	(1,996)	(259)
	-----	-----
Increase/(decrease) in cash and cash equivalents	11,047	385
Beginning cash and cash equivalents	25,096	31,950
	-----	-----
Ending cash and cash equivalents	\$ 36,143	\$ 32,335
	=====	=====

**Note 1 - Basis of Presentation**

The accompanying unaudited consolidated condensed financial statements include all adjustments, consisting of only normal recurring adjustments, which are, in the opinion of management of the registrant, necessary for a fair statement of the operating results for the three-month periods ended March 31, 1997 and 1996. These financial statements have been prepared in accordance with the instructions to Form 10-Q and therefore do not include all information and footnotes necessary for a fair presentation of financial position, results of operations, and changes in cash flows in conformity with generally accepted accounting principles.

**Note 2 - Earnings per Share**

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

In February 1997, the Financial Accounting Standards Board issued FAS 128, Earnings per Share. The company will adopt this statement for its December 31, 1997 financial statements and will restate prior period earnings per share amounts, if necessary. Presentation of both "basic" and "dilutive" earnings per share is required. The company does not expect any material impact on earnings per common share.

MINE SAFETY APPLIANCES COMPANY  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Consolidated sales for the first quarter of 1997 were \$113,473,000 compared with \$115,371,000 for the first quarter of 1996. Net income in the first quarter of 1997 was \$3,604,000, or 78 cents per share, compared with \$3,139,000, or 61 cents per share, for the same period last year.

The small decline in sales is mainly attributed to the absence of U.S. military gas mask shipments (these contracts were completed in 1996) and specialty chemical sales, which were especially strong in the first quarter of last year. Specialty chemical incoming orders were good in the quarter, which is encouraging. U.S. commercial safety equipment sales also were somewhat below prior year levels, while instruments were about the same.

Sales from European operations stated in U.S. dollars were even with last year. However, respectable sales growth in local currencies has been offset by adverse exchange rate shifts. Other international markets have continued healthy growth.

Net income rose despite lower sales, due to higher gross margins on a more favorable product mix and improved profitability due to cost control.

First quarter results were disappointing. However, incoming order patterns in several areas indicate improving sales later in the year. In 1996, business was slow in the first quarter and grew stronger as the year progressed. Maintaining year-to-year improvement will be challenging in view of this pattern.

Restructuring efforts initiated in 1996 proceeded according to plan during the first quarter of 1997. Although minimal during the first quarter, significant cash outlays related to this effort are expected to occur later in 1997.

Currency exchange adjustments charged directly to the equity cumulative translation adjustments account are shown below. Significant first quarter 1997 translation losses relate primarily to Germany and Italy.

Three Months Ended  
March 31  
1997      1996  
(Thousands of dollars)

Translation (gains)/losses

5,264      483

Available credit facilities along with internal cash resources are adequate to provide for ensuing capital requirements. The company's financial position and liquidity continue to be adequate. The current ratio and term debt in relation to capital as of March 31, 1997 were 2.4 and 5.9%, respectively, as compared to 2.5 and 6.2% at December 31, 1996.

On April 1, 1997, the company acquired the controlling interest in Boart MSA, its partnership in South Africa, providing the company a wholly-owned affiliate in that country. With the transaction, MSA changed the name of the affiliate to MSA Africa (Pty.) Ltd.

PART II OTHER INFORMATION  
MINE SAFETY APPLIANCES COMPANY

Item 1. Legal Proceedings

On April 24, 1997 a proceeding was instituted against the registrant by the United States Attorney in the United States District Court for the Western District of Pennsylvania charging that from March 1993 to December 1994, the registrant stored approximately 100 pounds of hazardous waste in an unpermitted area at its Callery Chemical Company facility near Evans City, Pennsylvania, in violation of 42 U.S.C. Section 6928(d)(2)(A). On April 24, 1997 the registrant pleaded no contest to the charge and paid a fine of \$350,000.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

None

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended March 31, 1997.

SIGNATURES

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

MINE SAFETY APPLIANCES COMPANY

Date: May 9, 1997

By

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

THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM MARCH 1997 FINANCIAL STATEMENTS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS

3-MOS		
	DEC-31-1997	
	MAR-31-1997	
		4,485
		31,658
		89,976
		(2,944)
		75,987
		24,508
		346,596
	(199,147)	
	402,204	
	94,467	
		12,666
	0	
		3,569
		11,701
		223,155
402,204		
		113,473
	114,499	
		70,399
		75,788
		71
		0
	411	
	6,121	
		2,517
	3,604	
		0
		0
		0
		3,604
		.78
		.78