



SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

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

For the quarter ended June 30, 1996

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 (IRS Employer Identification No.)  
incorporation or organization)

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

No

As of July 31, 1996, there were outstanding 4,835,870 shares of common stock without par value.



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

	June 30 1996	December 31 1995
<b>ASSETS</b>		
Current assets		
Cash	\$ 8,957	\$ 4,807
Temporary investments, at cost plus accrued interest	26,049	27,143
Accounts receivable, less allowance (1996 - \$2,907; 1995 - \$2,640)	82,783	90,955
Inventories:		
Finished products	30,963	34,970
Work in process	15,519	16,135
Raw materials and supplies	27,848	32,516
	-----	-----
Total inventories	74,330	83,621
	-----	-----
Other current assets	23,493	22,099
	-----	-----
Total current assets	215,612	228,625
	-----	-----
Property, plant and equipment	338,016	339,263
Accumulated depreciation	(190,020)	(188,157)
	-----	-----
Net property	147,996	151,106
	-----	-----
Other assets	26,020	26,869
	-----	-----
TOTALS	\$ 389,628	\$ 406,600
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities		
Notes and accounts payable	\$ 24,935	\$ 30,126
Federal, foreign, state and local income taxes	2,183	466
Other current liabilities	44,413	41,392
	-----	-----
Total current liabilities	71,531	71,984
	-----	-----
Long-term debt	13,936	14,746
Noncurrent liabilities (principally employee/retiree benefits) and deferred credits	63,979	66,330
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 6,740,223 and 6,719,403 (outstanding 4,857,612 and 5,182,757)	10,422	8,300
Stock compensation trust (600,000 shares)	(28,200)	
Cumulative translation adjustments	999	2,177
Retained earnings	312,627	309,712
Less treasury shares, at cost:		
Preferred - 48,135 and 47,935 shares	(1,559)	(1,553)
Common - 1,282,611 and 1,536,646 shares	(57,676)	(68,665)
	-----	-----
Total shareholders' equity	240,182	253,540
	-----	-----
TOTALS	\$ 389,628	\$ 406,600
	=====	=====



MINE SAFETY APPLIANCES COMPANY  
CONSOLIDATED CONDENSED STATEMENT OF INCOME  
(Thousands of dollars, except earnings per share and shares outstanding)

	Three Months Ended June 30		Six Months Ended June 30	
	1996	1995	1996	1995
Net sales	\$ 123,879	\$ 125,207	\$ 239,250	\$ 243,369
Other income	1,162	1,512	2,503	3,084
	-----	-----	-----	-----
	125,041	126,719	241,753	246,453
	-----	-----	-----	-----
Costs and expenses				
Cost of products sold	79,388	76,684	153,434	148,500
Selling, general and administrative	33,349	34,650	64,814	66,424
Depreciation	5,600	5,188	11,179	10,174
Interest	323	579	669	1,004
Currency exchange (gains)/losses	122	314	268	1,136
	-----	-----	-----	-----
	118,782	117,415	230,364	227,238
	-----	-----	-----	-----
Income from operations before income taxes	6,259	9,304	11,389	19,215
Income taxes	2,503	3,693	4,494	7,886
	-----	-----	-----	-----
Net income	\$ 3,756	\$ 5,611	\$ 6,895	\$ 11,329
	=====	=====	=====	=====
Earnings per common share	\$ 0.76	\$ 0.96	\$ 1.37	\$ 1.94
	=====	=====	=====	=====
Weighted average number of common shares outstanding	4,994,805	5,814,042	4,994,805	5,814,042
	=====	=====	=====	=====
Dividends paid on preferred stock	\$ 13	\$ 14	\$ 26	\$ 27
	=====	=====	=====	=====





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

	Six Months Ended June 30	
	1996	1995
<b>OPERATING ACTIVITIES</b>		
Income from operations	\$ 6,895	\$ 11,329
Depreciation	11,179	10,174
Deferred taxes, pensions, and other non-cash charges/(credits)	(1,878)	(1,173)
Changes in operating assets and liabilities	15,535	(8,797)
Other - principally currency exchange adjustments	(666)	3,321
	-----	-----
Cash flow from operating activities	31,065	14,854
	-----	-----
<b>INVESTING ACTIVITIES</b>		
Property additions	(7,177)	(9,455)
Property disposals	1,094	403
Acquisitions and other investing	(1,953)	(3,895)
	-----	-----
Cash flow from investing activities	(8,036)	(12,947)
	-----	-----
<b>FINANCING ACTIVITIES</b>		
Additions to long-term debt	88	851
Reductions of long-term debt	(748)	(702)
Changes in notes payable and short term debt	(857)	(2,198)
Cash dividends	(2,754)	(3,052)
Company stock sold and purchased	(15,095)	(176)
	-----	-----
Cash flow from financing activities	(19,366)	(5,277)
	-----	-----
Effect of exchange rate changes on cash	(607)	2,044
	-----	-----
Increase/(decrease) in cash and cash equivalents	3,056	(1,326)
Beginning cash and cash equivalents	31,950	54,420
	-----	-----
Ending cash and cash equivalents	\$ 35,006	\$ 53,094
	=====	=====

**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 and six-month periods ended June 30, 1996 and 1995. 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.



MINE SAFETY APPLIANCES COMPANY  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Sales were below prior year levels primarily because of reduced U.S. government military and environmental spending. While the company is the largest supplier of gas masks to the U.S. military, shipments of these products are at the lowest level in 15 years. This reflects spending cutbacks and delays in placing new contracts stemming from the federal budget impasse. Sales and rentals of products for environmental remediation also continued below prior year levels with a continuing lack of federal "superfund" authorization. Worldwide commercial sales of safety and instrument products have generally kept pace with prior year levels, while sales of specialty chemicals have continued to grow.

Lower sales have contributed to the decline in net income. In addition, the gross margins on U.S. military contracts have been reduced significantly by increasingly competitive bidding pressures in a shrinking market. Manufacturing operations in the U.S. for commercial products have also had an adverse cost impact.

This time last year the company and its commercial distributors were building inventories with an optimistic market outlook. In the first half of this year, however, inventories are being reduced, reflecting a more cautious economic outlook and a general desire to operate with lower stocks. Additionally, the company continues to move more toward "assemble-to-order" production. In particular, U.S. safety products production levels have run well below last year.

The company also has become more conservative in reflecting in the first and second quarters anticipated costs related to factory vacation shutdowns later in the year. Somewhat offsetting these items are higher profits from increased chemical sales and lower selling and administrative costs. During the second quarter, the company completed the sale of its corporate aircraft and hangar, and its thermal battery business in Britain, while implementing selective employment reductions. The net effect of these actions was not material to the results of the quarter but will result in lower costs in the future.

Profits from international operations were also somewhat below prior year levels. Profitability of the company's European operations has remained low in a stagnant economic environment. Financial results in the company's Latin American operations are below last year, which benefitted from an extraordinarily robust economic period in Brazil. In addition, a newly formed affiliate in Argentina is incurring meaningful start-up costs.

The decline in financial results during the first half of 1996 compared to 1995 was in line with expectations due to factors previously described. Incoming orders in the company's commercial businesses showed some meaningful improvement in the first half of 1996 over 1995 in the U.S. and international markets. Furthermore, incoming orders were above invoicing in the first half and exceeded the company's seasonal forecasts.

Orders already on the books for second-half shipment gives the company the potential of generating higher profits for the full year despite the earnings lag in the first half. If this is accomplished, earnings per share would improve significantly. As always, company results depend on the economic environment, customer buying patterns and the level of incoming orders in the months to come.

Comparative foreign currency exchange losses charged to income are as follows:

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	1996	1995	1996	1995
	(Thousands of dollars)		(Thousands of dollars)	
Transaction (gains)/losses	(54)	148	(78)	485
Translation (gains)/losses	176	166	346	651
	-----	-----	-----	-----
	122	314	268	1,136
	=====	=====	=====	=====

1996 transaction gains relate primarily to Australia .

Currency exchange adjustments charged directly to the equity cumulative translation adjustments account are shown below. Significant second quarter and year to date 1996 losses relate primarily to Germany. Significant second quarter and year to date 1995 gains relate to Germany and Japan.

	Three Months Ended		Six Months Ended	
	June 30	June 30	June 30	June 30
	1996	1995	1996	1995
	(Thousands of dollars)		(Thousands of dollars)	
Translation (gains)/losses	695	(1,907)	1,178	(4,450)

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 June 30, 1996 were 3.0 and 6.5%, respectively, as compared to 3.2 and 6.4% at December 31, 1995.

During second quarter 1996, the Mine Safety Appliances Company Stock Compensation Trust purchased 600,000 shares of the company's common treasury shares. Such shares will be used to fund employee stock options and awards. Until such time as these shares are committed by the Trust, they are not considered outstanding shares as reported herein nor in calculating earnings per common share.



PART II OTHER INFORMATION  
MINE SAFETY APPLIANCES COMPANY

Item 1. Legal Proceedings

Not Applicable

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

(a) April 23, 1996 - Annual Meeting

(b) Directors elected at Annual Meeting:

Joseph L. Calihan  
Leo N. Short, Jr.

Directors whose term of office continued after the meeting:

Calvin A. Campbell, Jr.  
G. Donald Gerlach  
Helen Lee Henderson  
John T. Ryan III

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

Joseph L. Calihan	For	4,634,652
	Withhold	31,390
	Broker Nonvotes	-0-

Leo N. Short, Jr.	For	4,640,366
	Withhold	25,676
	Broker Nonvotes	-0-

Selection of Price Waterhouse as Auditors for the year ending  
December 31, 1996

For	4,289,118
Against	5,310
Abstain	371,614
Broker Nonvotes	-0-

(d) Not applicable

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  
June 30, 1996.

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 12, 1996

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

THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM JUNE 1996 FINANCIAL STATEMENTS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS

6-MOS		
	DEC-31-1996	
	JUN-30-1996	
		8,957
		26,049
		85,690
		(2,907)
		74,330
	23,493	
		338,016
	(190,020)	
	389,628	
71,531		
		13,936
0		
		3,569
		10,422
		226,191
389,628		
		239,250
	241,753	
		153,434
		164,613
		268
		0
		669
		11,389
		4,494
6,895		
		0
		0
		0
		6,895
		1.37
		1.37