



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 September 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 October 31, 1996, there were outstanding 5,211,247 shares of common stock without par value (includes shares held by Stock Compensation Trust).



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

	September 30 1996	December 31 1995
<b>ASSETS</b>		
Current assets		
Cash	\$ 8,624	\$ 4,807
Temporary investments, at cost plus accrued interest	19,817	27,143
Accounts receivable, less allowance (1996 - \$2,996; 1995 - \$2,640)	82,853	90,955
Inventories:		
Finished products	30,013	34,970
Work in process	14,300	16,135
Raw materials and supplies	27,762	32,516
	-----	-----
Total inventories	72,075	83,621
	-----	-----
Other current assets	24,512	22,099
	-----	-----
Total current assets	207,881	228,625
	-----	-----
Property, plant and equipment	342,431	339,263
Accumulated depreciation	(194,213)	(188,157)
	-----	-----
Net property	148,218	151,106
	-----	-----
Other assets	39,162	26,869
	-----	-----
TOTALS	\$ 395,261	\$ 406,600
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities		
Notes and accounts payable	\$ 23,909	\$ 30,126
Federal, foreign, state and local income taxes	5,302	466
Other current liabilities	46,307	41,392
	-----	-----
Total current liabilities	75,518	71,984
	-----	-----
Long-term debt	13,377	14,746
Noncurrent liabilities (principally employee/retiree benefits) and deferred credits	64,723	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 6,749,733 and 6,719,403 (outstanding 4,749,492 and 5,182,757)	10,866	8,300
Stock compensation trust (600,000 shares)	(28,200)	
Cumulative translation adjustments	1,913	2,177
Retained earnings	318,589	309,712
Less treasury shares, at cost:		
Preferred - 48,835 and 47,935 shares	(1,580)	(1,553)
Common - 1,400,241 and 1,536,646 shares	(63,514)	(68,665)
	-----	-----
Total shareholders' equity	241,643	253,540
	-----	-----
TOTALS	\$ 395,261	\$ 406,600
	=====	=====



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

	Three Months Ended September 30		Nine Months Ended September 30	
	1996	1995	1996	1995
Net sales	\$ 121,744	\$ 119,995	\$ 360,994	\$ 363,364
Other income	462	1,057	2,965	4,141
	-----	-----	-----	-----
	122,206	121,052	363,959	367,505
	-----	-----	-----	-----
Costs and expenses				
Cost of products sold	74,279	74,885	227,713	223,385
Selling, general and administrative	32,561	35,035	97,375	101,459
Depreciation	4,780	4,843	15,959	15,017
Interest	324	294	993	1,298
Currency exchange (gains)/losses	88	(304)	356	832
	-----	-----	-----	-----
	112,032	114,753	342,396	341,991
	-----	-----	-----	-----
Income from operations before income taxes	10,174	6,299	21,563	25,514
Income taxes	4,058	2,463	8,552	10,349
	-----	-----	-----	-----
Net income	\$ 6,116	\$ 3,836	\$ 13,011	\$ 15,165
	=====	=====	=====	=====
Earnings per common share	\$ 1.26	\$ 0.67	\$ 2.63	\$ 2.61
	=====	=====	=====	=====
Weighted average number of common shares outstanding	4,932,145	5,803,554	4,932,145	5,803,554
	=====	=====	=====	=====
Dividends paid on preferred stock	\$ 13	\$ 13	\$ 39	\$ 40
	=====	=====	=====	=====





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

	Nine Months Ended September 30	
	1996	1995
<b>OPERATING ACTIVITIES</b>		
Income from operations	\$ 13,011	\$ 15,165
Depreciation	15,959	15,017
Deferred taxes, pensions, and other non-cash charges/(credits)	(2,890)	(2,641)
Changes in operating assets and liabilities	24,807	(6,071)
Other - principally currency exchange adjustments	478	3,245
	-----	-----
Cash flow from operating activities	51,365	24,715
	-----	-----
<b>INVESTING ACTIVITIES</b>		
Property additions	(12,191)	(12,772)
Property disposals	1,702	908
Acquisitions and other investing	(16,480)	(2,839)
	-----	-----
Cash flow from investing activities	(26,969)	(14,703)
	-----	-----
<b>FINANCING ACTIVITIES</b>		
Additions to long-term debt	88	134
Reductions of long-term debt	(1,379)	(1,661)
Changes in notes payable and short term debt	(1,660)	(3,209)
Cash dividends	(4,134)	(4,625)
Company stock sold and purchased	(20,510)	(1,677)
	-----	-----
Cash flow from financing activities	(27,595)	(11,038)
	-----	-----
Effect of exchange rate changes on cash	(310)	778
	-----	-----
Increase/(decrease) in cash and cash equivalents	(3,509)	(248)
Beginning cash and cash equivalents	31,950	54,420
	-----	-----
Ending cash and cash equivalents	\$ 28,441	\$ 54,172
	=====	=====

**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 nine-month periods ended September 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

Most of the third quarter 1996 sales growth came from Germany, the company's largest international operation, which achieved stronger local and export sales during the quarter. Sales in most other international markets were about the same as the prior year. In Brazil, however, sales were notably behind 1995, which was a period of extraordinary economic activity in that country.

Sales of portable instruments in the U.S. were also strong, boosted by fulfillment of a large special order. Commercial safety product revenues in the U.S. continued to lag prior year levels. Shipments of gas masks to the U.S. military were significantly below the prior year, as expected, due to lower levels of overall government procurement of such products.

Most of the third quarter 1996 profit gains occurred in the U.S. and stemmed from improved manufacturing cost performance and inventory management along with reduced selling and administrative expenses. Profits also improved in Germany due to higher sales. Profits from Brazilian operations have fallen to more normal levels compared to the robust activity in 1995. The newly formed affiliate in Argentina has continued to incur very meaningful start-up costs.

Financial results in the third quarter are a welcome improvement, driven mostly by improved operating efficiencies and internal initiatives. Product demand has been inconsistent in a seasonally slow quarter. The backlog of commercial orders for future shipment is considerably higher than it was at this time last year. This is an encouraging indication of fourth quarter potential.

In August, the company acquired Rose Manufacturing Company, a leading manufacturer in the growing fall protection portion of the safety products business, and Better Breathing, Inc., a leading innovator of disposable respiratory protection products. These acquisitions will substantially strengthen the company's global position in these important market segments.

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

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	1996	1995	1996	1995
	(Thousands of dollars)		(Thousands of dollars)	
Translation (gains)/losses	(914)	2,039	264	(2,411)

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 September 30, 1996 were 2.8 and 6.3%, respectively, as compared to 3.2 and 6.4% at December 31, 1995.



PART II OTHER INFORMATION  
MINE SAFETY APPLIANCES COMPANY

Item 1. Legal Proceedings

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 September 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: NOVEMBER 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 SEPTEMBER 1996 FINANCIAL STATEMENTS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS

9-MOS		
	DEC-31-1996	
	SEP-30-1996	
		8,624
		19,817
		85,849
		(2,996)
		72,075
	24,512	
		342,431
	(194,213)	
	395,261	
75,518		
		13,377
	0	
		3,569
		10,866
		227,208
395,261		
		360,994
	363,959	
		227,713
		243,672
		356
		0
	993	
	21,563	
		8,552
13,011		
		0
		0
		0
		13,011
		2.63
		2.63