

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, 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 (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, 1997, there were outstanding 5,058,026 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)

	September 1997	December 31 1996
ASSETS		
Current assets		
Cash	\$ 6,812	\$ 7,963
Temporary investments, at cost plus accrued interest	19,062	17,133
Accounts receivable, less allowance (1997 - \$3,278; 1996 - \$2,993)	84,122	101,740
Inventories:		
Finished products	36,001	32,042
Work in process	14,609	15,311
Raw materials and supplies	31,479	29,687
	-----	-----
Total inventories	82,089	77,040
	-----	-----
Other current assets	26,773	24,531
	-----	-----
Total current assets	218,858	228,407
	-----	-----
Property, plant and equipment	348,416	347,432
Accumulated depreciation	(198,827)	(200,374)
	-----	-----
Net property	149,589	147,058
	-----	-----
Other assets	29,316	32,217
	-----	-----
TOTALS	\$ 397,763	\$ 407,682
	=====	=====
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Notes and accounts payable	\$ 48,443	\$ 35,823
Federal, foreign, state and local income taxes	6,217	9,156
Other current liabilities	47,129	46,835
	-----	-----
Total current liabilities	101,789	91,814
	-----	-----
Long-term debt	12,393	13,278
Noncurrent liabilities (principally employee/retiree benefits) and deferred credits	47,079	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 6,769,273 and 6,749,733 (outstanding 4,461,386 and 4,611,125)	11,802	10,866
Stock compensation trust (600,000 shares)	(28,196)	(28,200)
Cumulative translation adjustments	(5,863)	1,430
Retained earnings	337,564	325,898
Less treasury shares, at cost:		
Preferred - 49,313 and 49,313 shares	(1,595)	(1,595)
Common - 1,707,887 and 1,538,608 shares	(80,779)	(70,536)
	-----	-----
Total shareholders' equity	236,502	241,432
	-----	-----
TOTALS	\$ 397,763	\$ 407,682
	=====	=====

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	
	1997	1996	1997	1996
Net sales	\$ 120,602	\$ 121,744	\$ 363,320	\$ 360,994
Other income	389	1,103	2,558	4,122
	-----	-----	-----	-----
	120,991	122,847	365,878	365,116
	-----	-----	-----	-----
Costs and expenses				
Cost of products sold	72,560	74,279	223,321	227,713
Selling, general and administrative	30,863	32,788	97,974	97,602
Depreciation	5,106	4,780	16,027	15,959
Interest	728	324	1,868	993
Currency exchange (gains)/losses	105	88	602	356
Facilities consolidation - net	2,418	414	2,125	930
	-----	-----	-----	-----
	111,780	112,673	341,917	343,553
	-----	-----	-----	-----
Income from operations before income taxes	9,211	10,174	23,961	21,563
Income taxes	3,379	4,058	9,470	8,552
	-----	-----	-----	-----
Net income	\$ 5,832	\$ 6,116	\$ 14,491	\$ 13,011
	=====	=====	=====	=====
Earnings per common share	\$ 1.29	\$ 1.26	\$ 3.17	\$ 2.63
	=====	=====	=====	=====
Weighted average number of common shares outstanding	4,559,370	4,932,145	4,559,370	4,932,145
	=====	=====	=====	=====
Dividends paid on preferred stock	\$ 12	\$ 13	\$ 37	\$ 39
	=====	=====	=====	=====

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

	Nine Months Ended September 30	
	1997	1996
OPERATING ACTIVITIES		
Income from operations	\$ 14,491	\$ 13,011
Depreciation	16,027	15,959
Deferred taxes, pensions, and other non-cash charges/(credits)	(10,244)	(2,890)
Changes in operating assets and liabilities	5,256	24,807
Other - principally currency exchange adjustments	(5,176)	478
	-----	-----
Cash flow from operating activities	20,354	51,365
	-----	-----
INVESTING ACTIVITIES		
Property additions	(23,352)	(12,191)
Property disposals	1,383	1,702
Acquisitions and other investing	(511)	(16,480)
	-----	-----
Cash flow from investing activities	(22,480)	(26,969)
	-----	-----
FINANCING ACTIVITIES		
Additions to long-term debt	514	88
Reductions of long-term debt	(1,187)	(1,379)
Changes in notes payable and short term debt	20,146	(1,660)
Cash dividends	(4,448)	(4,134)
Company stock purchases and sales	(9,303)	(20,510)
	-----	-----
Cash flow from financing activities	5,722	(27,595)
	-----	-----
Effect of exchange rate changes on cash	(2,818)	(310)
	-----	-----
Increase/(decrease) in cash and cash equivalents	778	(3,509)
Beginning cash and cash equivalents	25,096	31,950
	-----	-----
Ending cash and cash equivalents	\$ 25,874	\$ 28,441
	=====	=====

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, 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. The shares held by the Stock Compensation Trust are not included for earnings per share calculations.

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 third quarter of 1997 were \$120,602,000 compared with \$121,744,000 for the third quarter of 1996. Sales for the nine months ended September 30, 1997 were \$363,320,000 compared with \$360,994,000 for the same period last year.

Net income for the 1997 third quarter was \$5,832,000, or \$1.29 per share, compared with 1996 third quarter income of \$6,116,000, or \$1.26 per share. Net income for the nine months ended September 30, 1997 was \$14,491,000, or \$3.17 per share, compared with \$13,011,000, or \$2.63 per share in 1996.

Sales results have been affected by various trends and events. In the U.S., the absence of significant military gas mask business has been offset by sales from 1996 fall protection and respirator acquisitions, which were not included until the end of the year. Commercial safety product sales in U.S. markets have been essentially flat with some continued growth in exports. Recent sales of instrument products are lower than 1996 levels, which included large special orders. Sales of specialty chemicals have continued to grow.

Sales in Europe have been lower than the prior year with a moderate decline in local currency revenues compounded by adverse currency exchange rates. Sales in other international markets have increased, mostly in Latin America. International sales have also benefit by the inclusion of MSA Africa, which became a wholly owned affiliate of MSA earlier this year.

The decline in net income for the third quarter occurred mainly in MSA European operations, principally Germany, as a result of lower sales and high operating costs. Income improved, however, in Latin America and other international operations.

Income from U.S. operations for the third quarter was about the same as the corresponding period of last year. Last year's results benefited by \$1.7 million before-tax LIFO credit from inventory reductions which have not continued this year, due partly to a temporary need to keep back-up inventory during the facilities consolidation announced at the end of 1996. Furthermore, 1997 results include \$2.4 million of pre-tax charges related to the consolidation activities. However, 1997 results include \$4.5 million before tax pension settlement gains also stemming from the facilities consolidation. Facilities consolidation efforts are proceeding as anticipated.

Results for the quarter were about as expected. MSA has been reasonably successful in adjusting to the end of some major U.S. military business by acquiring or increasing other businesses and by consolidating U.S. manufacturing facilities. While the consolidation activities have significant implementation costs, future years' operating performance will benefit.

The profitability of European operations is a continuing concern. MSA is evaluating appropriate plans for improvement which should be finalized during the fourth quarter. Several new members of the MSA Europe management team have been hired over the last year.

The results for the fourth quarter of 1996 included several significant income items which improved net income despite substantial restructuring charges. It may be challenging to expect similar results for the final quarter of this year. However, MSA continues to strive to attain its goal of higher earnings per share for the year. Earnings per share have been enhanced by reduced shares outstanding as a result of shares purchased by the company.

Currency exchange adjustments charged directly to the equity cumulative translation adjustments account are shown below. Significant third quarter 1997 year-to-date losses relate primarily to Germany and Australia. Significant third quarter 1996 gains relate primarily to Germany and Italy.

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	1997	1996	1997	1996
	(Thousands of dollars)		(Thousands of dollars)	
Translation (gains)/losses	2,077	(914)	7,293	264

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, 1997 were 2.2 and 5.8%, respectively, as compared to 2.5 and 6.2% at December 31, 1996.

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, 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: November 12, 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 SEPTEMBER 1997 FINANCIAL STATEMENTS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS

9-MOS		
	DEC-31-1997	
	SEP-30-1997	
		6,812
		19,062
		87,400
		(3,278)
		82,089
		26,773
		348,416
	(198,827)	
	397,763	
101,789		
		12,393
	0	
		3,569
		11,802
		221,131
397,763		
		363,320
	365,878	
		223,321
		239,348
		2,727
		0
	1,868	
		23,961
		9,470
14,491		
		0
		0
		0
		14,491
		3.17
		3.17