



Lawson Products Reports Net Surge

October 19, 2000

DES PLAINES, Ill., Oct. 19 /PRNewswire/ -- Lawson Products, Inc. (Nasdaq: LAWS), Thursday reported net income for the third quarter increased 8.8 percent to \$6,378,000. Net income for the nine months ended September 30, 2000 rose 20.1 percent to \$19,539,000. Diluted net income per share increased 14 percent to \$.65 for the third quarter. For the nine months ended September 30, 2000, diluted net income per share was \$1.97, an increase of 27.1 percent. Diluted net income per share was positively impacted by a common stock repurchase program.

The improvement in net income is attributable to sales gains and continual monitoring of costs by the Company's management. Increases in net income have been achieved for seven consecutive quarters.

For the third quarter, net sales increased 3.5 percent to \$85,424,000. Net sales for the nine-month period ended September 30, 2000 were \$256,045,000, an improvement of 9 percent. New customers, greater penetration of the current customer base, and the contribution from our newest subsidiary, ACS/SIMCO, acquired July 1, 1999 were factors in the sales increases.

Lawson Products is an international seller and distributor of systems, services and products to the industrial, commercial and institutional maintenance, repair and replacement market. The company also manufactures, sells and distributes production and specialized component parts to the original equipment marketplace including the automotive, appliance, aerospace, construction and transportation industries. The company's major product lines include fasteners, parts, chemical specialties, hardware, welding supplies and accessories, pneumatics, hydraulic and other flexible hose fittings, tools, safety items and electrical and shop supplies.

This press release contains historical information and forward-looking statements and opinions. Statements looking forward in time are included in this press release pursuant to the "safe harbor" provision of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations or beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The factors that could cause actual results to differ materially from those described in the forward-looking statements include increased competition, seasonality, or an economic downturn.

LAWSON PRODUCTS, INC. AND SUBSIDIARIES CONSOLIDATED SUMMARY OF OPERATIONS (UNAUDITED)

Three Months Ended September 30,

	2000	1999	% Change
Net Sales	\$85,424,122	\$82,515,401	3.5%
Income Before Taxes (a)	10,735,659	9,942,055	8.0%
Provision for Income Taxes	4,358,000	4,081,000	--
Net Income (a) (b)	\$6,377,659	\$5,861,055	8.8%
Net Income per share of Common Stock:			
Basic	\$0.66	\$0.57	15.8%
Diluted	\$0.65	\$0.57	14.0%

Weighted Average Shares Outstanding:

Basic	9,718,296	10,353,822	--
Diluted	9,736,908	10,360,392	--

Nine Months Ended September 30,

	2000	1999	% Change
Net Sales	\$256,045,371	\$234,910,344	9.0%

Income			
Before Taxes (a)	33,024,193	27,649,610	19.4%
Provision for Income Taxes	13,485,000	11,386,000	--
Net Income (a) (b)	\$19,539,193	\$16,263,610	20.1%
Net Income per share of Common Stock:			
Basic	\$1.97	\$1.55	27.1%
Diluted	\$1.97	\$1.55	27.1%

Weighted Average Shares

Outstanding:

Basic	9,905,572	10,500,122	--
Diluted	9,917,479	10,501,551	--

(a) The Company uses estimated gross profit rates to determine inventories and cost of goods sold during interim periods.

(b) In the second quarter of 2000, the Company recorded a special charge of \$145,000, net of income tax benefit of \$95,000, for severance benefits, while in the second quarter of 1999, the Company recorded a special charge of \$1,237,000, net of income tax benefit of \$816,000, for severance and early retirement benefits in connection with previously announced management changes. Additionally, in the second quarter of 1999, a gain of \$554,000, net of income taxes of \$369,000, was recorded on the sale of marketable securities. Excluding the effects of these items, net income for the nine month period ended September 30, 2000 was approximately \$19,684,000 (\$1.98 per diluted share), an increase of 16.2%.

SOURCE Lawson Products, Inc.

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