



Lawson Products Reports First Quarter

April 20, 2001

DES PLAINES, Ill., April 20 /PRNewswire Interactive News Release/ -- Lawson Products, Inc. (Nasdaq: LAWS), Friday said net sales for the first quarter decreased 3.0 percent to \$83,650,000 compared to the first quarter of last year. Sales activity reflected one less business day for the quarter compared to the same period last year and the slowdown in the economy which the Company began to experience towards the end of last year.

Net income for the quarter was \$3,238,000, a decrease of 49.7 percent compared to the first quarter of last year. Diluted net income per share was \$.33, a decrease of 48.4 percent. The decrease in net income was partly attributable to a decrease in gross margin of \$2,621,000 resulting from reduced sales.

An increase in selling, general and administrative expenses of \$2,639,000, a 5.7 percent increase over the same period in 2000, also contributed to the decrease in net income. The increase in these expenses included additional staff in anticipation of increased activity related to the Lawson core businesses and to the acquisition of certain assets and the sales forces of the North American Industrial Products and Kent Automotive Divisions of Premier Farnell plc. which was completed March 30. The sales forces acquired represent the five business units acquired and included over 360 field sales representatives and 70 telephone sales personnel.

Higher wages and attendant costs, and transition costs associated with the acquisition, including costs of moving inventory, warehouse realignment, information systems modifications, travel and other costs necessary to service the newly acquired businesses were factors reflected in the increase in selling, general and administrative expenses for the first quarter. The new business activities commenced during April, 2001. The Company anticipates additional transition costs associated with the acquisition will be incurred in the second quarter.

The Company is focused on efforts designed to provide profitable growth in the near and long term. Sales conferences held in February and March were utilized to make field sales representatives aware of newly created sales channels and tools becoming available to assist them in increasing productivity. The Company is fully committed to implementing, as efficiently as practicable, the use of the new channels and sales tools and the transition of the newly acquired businesses and sales professionals into the Lawson Family of Businesses. The Company believes these efforts will yield improved results over the remainder of the year.

Lawson Products is an international seller and distributor of systems, services and products to the industrial, commercial and institutional maintenance, repair and replacement marketplace. 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.

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 March 31,
2001 2000 % Change

Net Sales (a)	\$83,649,631	\$86,280,099	-3.0%
Income Before Taxes (b)	5,825,376	10,907,505	-46.6%
Provision for Income Taxes	2,587,000	4,463,000	
Net Income (b)	3,238,376	6,444,505	-49.7%

Net Income per share of Common Stock:

Basic	\$0.33	\$0.64	-48.4%
Diluted	\$0.33	\$0.64	-48.4%

Weighted Average Shares Outstanding:

Basic	9,710,354	10,092,922
Diluted	9,729,974	10,098,220

(a) Net sales for 2000 have been restated to reflect a shipping revenue reclassification required by the the adoption of Emerging Issues Task Force No. 00-10 in the fourth quarter of 2000.

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

MAKE YOUR OPINION COUNT - Click Here
<http://tbutton.prnewswire.com/prn/11690X24773725>

SOURCE Lawson Products, Inc.

CONTACT: Joseph L. Pawlick, Chief Financial Officer of Lawson Products, Inc., 847-827-9666