



Lawson Products Reports Gains

July 18, 2002

DES PLAINES, Ill., July 18 /PRNewswire-FirstCall/ -- Lawson Products, Inc. (Nasdaq: LAWS) today reported its results for the second quarter and six months ended June 30, 2002. Net income for the second quarter was \$4,696,000, an increase of 18% over the second quarter of 2001. Net income per share was \$.49 which is 20% above the comparable period in 2001. Net sales for the quarter were \$99,891,000, an increase of 1% over the same period in 2001.

Net income for the six-month period ended June 30, 2002, increased 18% over the 2001 period to \$8,528,000. Diluted net income per share was \$.88, an increase of 19% over that for the same period in 2001. Net sales for the six-month period were \$195,636,000, an increase of 7% over 2001. The increased sales in 2002 resulted from the inclusion of sales of Premier Industrial, which acquisition was completed on March 30, 2001.

The increase in net income for the second quarter was attributable to the absence of costs in 2001 related to the Premier Industrial acquisition, discontinuance of goodwill amortization, increased sales, continuing cost containment efforts, and a lower effective tax rate.

For the second quarter of 2002, the OEM and International distribution segments had increases in net sales of 16% and 11%, respectively, over 2001. These increases offset a decrease of 2% experienced by the domestic MRO segment which accounted for 79% of the Company's business during the period. For the six-month period, the OEM, International, and domestic MRO distribution segments recorded sales increases of 12%, 33% and 5%, respectively, compared to 2001.

Robert J. Washlow, Chairman and CEO, commented: "With the acquisition behind us, expenses measured as a percentage of sales are decreasing. The continuation of Lawson's strong cash flow has allowed us to continue our growth initiatives and repurchase stock, while making substantial reductions in outstanding debt. We anticipate continued improvements in performance."

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, including Mr. Washlow's statements, may contain 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 June 30,		Six Months Ended June 30,			
	2002	2001	% Change	2002	2001	% Change
Net Sales	\$99,890,723	\$98,980,210	1%	\$195,636,332	\$182,629,841	7%
Income Before Taxes (a)	8,055,884	6,926,967	16%	14,465,715	12,752,343	13%
Provision for Income Taxes	3,360,000	2,939,000		5,938,000	5,526,000	
Net Income (a)	\$4,695,884	\$3,987,967	18%	\$8,527,715	\$7,226,343	18%

Net Income per
share of Common

Stock:

Basic	\$0.49	\$0.41	20%	\$0.89	\$0.74	20%
Diluted	\$0.49	\$0.41	20%	\$0.88	\$0.74	19%

Weighted Average
Shares Outstanding:

Basic	9,610,557	9,710,569	9,618,650	9,710,270
Diluted	9,643,310	9,739,798	9,646,644	9,736,077

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

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