



LAWSON Products

Lawson Products Reports Quarterly Results

October 21, 2002

DES PLAINES, Ill., Oct. 21 /PRNewswire-FirstCall/ --

Lawson Products, Inc. (Nasdaq: LAWS) today reported results for the third quarter and nine months ended September 30, 2002. Third quarter 2002 net income increased 13.5% over the third quarter of 2001 to \$3.8 million. Net income per share at \$.39 was 14.7% over the same period last year. Net sales for the quarter were \$98.5 million, a decrease of 1.5% compared to the same period a year ago.

For the nine-month period ended September 30, 2002, net income increased 16.6% from the prior year to \$12.3 million. Diluted net income per share increased 18.5% to \$1.28. Net sales increased 4.1% over 2001 to

\$294.1 million. The increased sales in the nine-month period reflect sales generated by sales representatives who joined the Company as part of the acquisition of certain assets of Premier Industrial on March 30, 2001.

For the third quarter, the absence of costs linked to the Premier acquisition, cost containment efforts, discontinuance of goodwill amortization, and a decrease in interest expense were responsible for the increase in net income. For the nine-month period, those factors, along with increased sales and a lower effective tax rate, were responsible for the improvement in net income.

For the third quarter of 2002, the domestic MRO segment, which accounted for 79% of the Company's revenue, experienced a 3% decline in net sales. Net sales of the OEM and International segments increased 3% and 12%, respectively. For the nine-month period, domestic MRO sales increased 2%. Sales by the OEM and International segments increased 9% and 25%, respectively.

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 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			Nine Months Ended		
	September 30,			September 30,		
	2002	2001	% Change	2002	2001	% Change
Net Sales	\$98,473,865	\$99,999,682	-1.5%	\$294,110,197	\$282,629,523	4.1%
Income						
Before						
Taxes (a)	6,628,489	5,837,443	13.6%	21,094,204	18,589,786	13.5%
Provision						
for Income						
Taxes	2,869,000	2,525,000		8,807,000	8,051,000	
Net Income						
(a)	\$3,759,489	\$3,312,443	13.5%	\$12,287,204	\$10,538,786	16.6%
Net Income						
per share of						
Common Stock:						

Basic	\$0.39	\$0.34	14.7%	\$1.28	\$1.09	17.4%
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Diluted	\$0.39	\$0.34	14.7%	\$1.28	\$1.08	18.5%
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Weighted Average

Shares

Outstanding:

Basic	9,550,908	9,685,520	9,592,807	9,700,381
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Diluted	9,576,114	9,714,872	9,618,654	9,726,165
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(a) The Company uses estimated gross profit rates to determine inventories and cost of goods sold during interim periods.

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(LAWS)

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