

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K  
CURRENT REPORT

Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) : July 21, 2004

LAWSON PRODUCTS, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other  
jurisdiction of  
incorporation)

0-10546  
(Commission File Number)

36-2229304  
(IRS Employer  
Identification  
No.)

1666 East Touhy Avenue, Des Plaines, Illinois  
(Address of principal executive offices)

60018  
(Zip code)

(Registrant's telephone number, including area code) (847) 827-9666

(Former name or former address, if changed since last report) Not Applicable

Lawson Products, Inc.  
Current Report of Form 8-K

Item 12. Results of Operations and Financial Condition.

On July 21, 2004, Lawson Products, Inc. issued a press release announcing its operating results for the quarter ended June 30, 2004. A copy of the press release is attached as Exhibit 99.1 to this Form 8-K.

The information in this Form 8-K is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section. The information in this Form 8-K may only be incorporated by reference in another filing under the Securities Exchange Act of 1934 or Securities Act of 1933 if such subsequent filing specifically references this Form 8-K.

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 hereunto duly authorized.

LAWSON PRODUCTS, INC.

/s/ Joseph L. Pawlick

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Joseph L. Pawlick  
Senior Vice President, Accounting  
(principal accounting officer)

Date: July 21, 2004

EXHIBIT INDEX

NUMBER	DESCRIPTION
----- 99.1	----- Press release issued by Lawson Products, Inc. on July 21, 2004.

PRESS RELEASE

Source: Lawson Products, Inc.

## LAWSON PRODUCTS, INC. REPORTS INCREASE IN SECOND QUARTER, 2004 SALES AND NET INCOME

CHICAGO, July 21 /PRNewswire-FirstCall/ -- Lawson Products, Inc. (Nasdaq: LAWS) reported second quarter net income of \$5.3 million, or \$.56 per share up 28.4% from \$4.1 million, or \$.44 per share a year earlier. The increase in earnings was driven primarily by a 7.6% increase in net sales for the second quarter to a quarterly record \$104.4 million.

Robert J. Washlow, Chairman of the Board and CEO commented, "Record sales for the second quarter of 2004 indicate that initiatives implemented in previous periods continue to deliver positive results. Our business is strong and growing, with increases in second quarter sales and operating income realized across our MRO and OEM segments."

Net sales by segment for the second quarter of 2004 and 2003 and for the six months ended June 30, 2004 and 2003 follow:

(Dollars in millions)

	Second Quarter			Six Months Ended 6/30		
	2003	2004	% change	2003	2004	% change
MRO	\$80.2	\$83.5	+4.1	\$159.7	\$165.0	+3.3
OEM	16.9	20.9	+23.9	33.5	40.1	+19.7
Total	\$97.1	\$104.4	+7.6	\$193.2	\$205.1	+ 6.2

The second quarter's consolidated gross margins declined slightly from the prior year, primarily due to a higher sales mix from the lower-margin OEM segment. As presented in the table above, OEM sales grew at a 23.9% rate over the prior year quarter compared to a 4.1% sales increase for MRO. Gross margins in the MRO segment improved slightly in the second quarter 2004 compared to the prior year. Second quarter 2004 earnings comparisons to the prior year were impacted by a pre-tax charge of \$1.2 million in the second quarter 2003 for retirements and terminations. Such charges were not incurred during the second quarter of 2004.

Mr. Washlow added, "In light of the difficulties presented by the steel and commodity markets this year, I am pleased with our improved performance." For the first six months of 2004, earnings per share were up 50.6% to \$1.25, from \$.83 per share in the same period last year on a 6.2% increase in sales to \$205.1 million from \$193.2 million.

Lawson Products is an international seller and distributor of products, services and systems 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 certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. These statements are based on management's current expectations, intentions or beliefs and are subject to a number of factors, assumptions and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those related to general economic conditions and market conditions in the original equipment manufacturers and maintenance, repair and replacement distribution industries in North America and to a lesser extent, the United Kingdom, the Company's ability to obtain new customers and manage growth, material or labor cost increases, competition in the Company's business, operating margin risk due to competitive pricing and operating efficiencies, seasonality, effectiveness of our sales and marketing programs, and the length of economic downturns in the Company's markets. The Company undertakes no obligation to update any such factor or to publicly announce the results of any revisions to any forward-looking statements contained herein whether as a result of new information, future events or otherwise.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2004	2003	% Change	2004	2003	% Change
Net Sales	\$104,443,078	\$97,108,559	7.6%	\$205,100,836	\$193,183,669	6.2%
Income Before Taxes (a)	8,725,964	6,705,002	30.1%	19,253,226	13,326,173	44.5%
Provision for Income Taxes	3,409,000	2,564,000		7,410,000	5,427,000	
Net Income (a)	\$5,316,964	\$4,141,002	28.4%	\$11,843,226	\$7,899,173	49.9%
Net Income per share of Common Stock:						
Basic	\$0.56	\$0.44	27.3%	\$1.25	\$0.83	50.6%
Diluted	\$0.56	\$0.44	27.3%	\$1.25	\$0.83	50.6%
Weighted Average Shares Outstanding:						
Basic	9,445,574	9,490,111		9,465,769	9,491,325	
Diluted	9,475,151	9,505,609		9,493,451	9,509,183	

(a) In the second quarter of 2003, the Company recorded a pre-tax charge of \$1,246,000, having an after-tax effect of \$751,000, for the severance and retirement of certain management personnel.

SOURCE Lawson Products, Inc.

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/CONTACT: Joseph Pawlick, Senior Vice President, Accounting, of Lawson Products, Inc., +1-847-827-9666/  
 /First Call Analyst: /  
 /FCMN Contact: /  
 (LAWS)