
**UNITED STATES
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): March 16, 2011

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**

Not Applicable

(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01 Regulation FD Disclosure.

In connection with the Lawson Products, Inc.'s (the "Company") investor relations plan, the Company has updated its Investor Presentation (the "Presentation") which is furnished as Exhibit 99.1 to this Report on Form 8-K. A copy of the Presentation is also available on the Company's website at www.lawsonproducts.com

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

99.1 Investor Presentation

SIGNATURES

Pursuant to the requirements of the Securities and 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.

(Registrant)

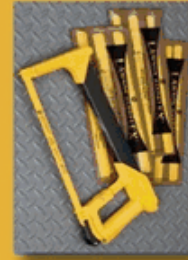
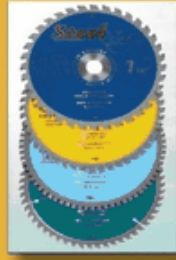
Date: March 16, 2011

By: /s/ Ronald J. Knutson
Name: Ronald J. Knutson
Title: Senior Vice President,
Chief Financial Officer

Exhibit Index

Exhibit No.
99.1

Description
Investor Presentation



**Investor Presentation
March 2011**



LAWSON Products

NASDAQ: LAWS www.lawsonproducts.com



Forward-Looking Statements

"Safe Harbor" Statement under the Securities Litigation Reform Act of 1995:

This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. The terms "may," "should," "could," "anticipate," "believe," "continues," "estimate," "expect," "intend," "objective," "plan," "potential," "project" and similar expressions are intended to identify forward-looking statements. 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 or that might otherwise impact the business include the effect of general economic and market conditions; increases in commodity prices; work stoppages and other disruptions at transportation centers or shipping ports; disruptions of the Company's information and communication systems; competition and competitive pricing pressures; changes in customer demand; the influence of controlling stockholders; the inability of management to successfully implement strategic initiatives and, all of the factors discussed in the Company's "Risk Factors" set forth in its Annual Report on Form 10-K for the year ended December 31, 2010.

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.





1. Lawson Products at a Glance
2. New Leadership Team
3. Investment Considerations
4. MRO Industry Overview
5. Building an Efficient Platform to Drive Future Growth
6. Financial Highlights
7. Key Take-Aways





1. Lawson Products – At a Glance

Company Overview

- Founded in 1952
- Listed on NASDAQ (Ticker: LAWS) since 1970
- Distributes Maintenance, Repair and Operations (MRO) products & solutions
- Serves industrial, commercial, institutional & government markets in all 50 U.S. states, Canada & Puerto Rico
- Supplies 300,000+ products
 - Fasteners, cutting tools, chemicals, abrasives, safety, welding, hydraulic & automotive products
- Headquartered in Des Plaines, IL
 - 6 distribution centers, 1 repackaging facility & 1 corporate HQ
 - ~2,100 employees & independent sales agents





1. Lawson Products – At a Glance

Financial Highlights

- Growing Average Daily Sales (ADS) with diverse revenue streams
 - ADS of \$1,312 in Q4 2010 vs. \$1,189 in Q1 2010
- Average Order Size and Daily Orders per Agent improvement
- Reducing costs while investing in future growth of the business
- Improving EBITDA
- Strong Balance Sheet
- Significant cash on hand for bolt-on M&A opportunities
- Solid dividend yield





2. New Leadership Team to Evolve Company & Drive Growth

Leadership Team

- Tom Neri, President & CEO
 - Joined in March 2003 as CFO
 - Senior positions in publishing, including EVP of the Sun-Times Company and President & Publisher of Pioneer Newspapers, Inc.
- Ron Knutson, Chief Financial Officer
 - Joined in November 2009 as SVP & CFO
 - Senior financial roles across many sectors, most recently serving as SVP & CFO of Frozen Food Express Industries and before that as VP of Finance of Ace Hardware Corp.
- Harry Dochelli, Chief Operating Officer
 - Joined in March 2008 as EVP, Sales & Marketing
 - 25-year career with senior leadership positions in operations and sales – with profit and loss responsibility; depth of experience within distribution industry
 - Previously served as EVP North America Contract Sales for Boise Cascade Office Products/OfficeMax, Inc.





3. Investment Considerations

- We operate in a fragmented, but resilient industry...
 - The MRO market remained steady during crisis period & is now recovering
- ...That Continues to Grow
- We are committed to evolving LAWS into a leading player...
 - We have identified our core strengths & are taking advantage of them
- ...Through a solid strategy to achieve profitable long-term growth
 - We are building an efficient platform from which we can drive significant growth
- We reward shareholders with consistent dividends payments
 - Increased quarterly dividend to \$0.12 representing a yield of 2.0%*

* As of February 2011 closing price





4. MRO Industry Overview – Highly Fragmented

- Large and highly fragmented industry
- North American industrial distribution market is broadly defined at +\$200 billion for 2009 made up of +37,000 companies ⁽¹⁾
- Of these companies in the Industrial Distribution Market, Lawson ranked 28th by sales revenue in 2009 ⁽²⁾

Rank	Company	Rev (m)	Rank	Company	Rev (m)
1	Rexel	\$16,200	12	Motion Industries	\$2,900
2	Wolseley	\$14,400	13	Fastenal	\$1,930
3	Worth	\$9,500	14	Applied Industrial Technologies	\$1,900
4	HD Supply	\$7,400	15	WinWholesale	\$1,600
5	WW Grainger	\$6,200	16	MSC Industrial Direct	\$1,500
6	Anixter	\$5,100	17	Interline Brands	\$1,100
7	Wesco International	\$4,600	18	Edgen Murray	\$773
8	Wilson Industries	\$4,600	19	Kaman Industrial Technologies	\$646
9	Graybar	\$4,400	20	F.W. Webb	\$600
10	Airgas	\$3,900	24	Barnes Distribution	\$417
11	Mcjunkin – Red Man	\$3,700	28	Lawson Products	\$379

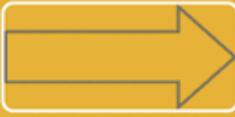
(1) Source: Pembroke Consulting, Inc.

(2) Source: Industrial Distribution Magazine, The Big 50 List, October 2010





4. MRO Industry Overview – Opportunities for Competitive Advantage



Deep product knowledge and product application expertise

- Tailored solutions for customers
- Knowledgeable, experienced sales reps with an average of 12 years of experience
- Strong customer relationships



Value-added services, such as inventory management



High penetration of private label products



Broad geographic sales coverage allowing us to serve large multi-location customers



**Strong financial position allows
Lawson to invest in growth...**





4. MRO Industry Overview – Opportunities for Competitive Advantage

Current Strength

75% prefer ordering through field sales representatives

82% say technical support very important

Virtually all prefer domestic products and most willing to pay more for them

Customer Feedback

Opportunities

88% also want web ordering option

73% of purchasing agents prefer to use multiple vendors to get the right expertise

“Fast shipping” was rated as most important item among 20 MRO vendor dimensions



Lawson actively seizing these opportunities

Leveraging our core business + pursuing new initiatives focused on serving market with “unplanned” product need





4. MRO Industry Overview – Opportunities for Competitive Advantage

Core Business Today

“Planned” Products for Inventory Management



Customers have need for products and want to outsource replenishment and inventory management

Future Opportunities

Products for “Unplanned” Needs



Customers with unplanned needs buy products from sales reps, catalogs or the web for next day delivery





5. Building an Efficient Platform to Drive Future Growth

ERP Transformation

Timing

- Blueprint and configuration stages were completed in 2010
- Beginning to be rolled out in waves – according to function – during 2011
- Expected to be totally completed by early 2012

Key Benefits

- Makes LAWS an easier company to work with from a customer POV
 - Facilitates easier ordering
 - Enables improved customer servicing
- Helps to drive sales momentum, which will begin to be realized in 2012
- Enables LAWS to implement centralized market-based pricing strategy
- When new eCommerce site is launched, sales reps will have full customer view

Costs / Savings

- Implementation costs of \$20-25 million
- 10-year IRR forecast of ~30% with anticipated 4-year payback





5. Building an Efficient Platform to Drive Future Growth

Network Optimization

- Currently own 5 distribution centers (DCs) in US and 1 in Canada
- Plan to optimize distribution system in order to ensure we:
 - Are present in the best locations from a cost & delivery POV (i.e. capture unplanned)
 - Manage inventory & material handling in the most effective & efficient way
 - Reduce our overall fixed-cost base
- 2-year timeline to achieve the above objectives
- Will provide tangible benefits to customers and increase efficiency within existing and/or new facilities
- Potential to create significant cost savings through efficiencies, working capital reductions & potential sale/leaseback opportunities





5. Building an Efficient Platform to Drive Future Growth

Sales Transformation – eCommerce

- Launching of a new eCommerce website by Q1 2012
- Creates a new sales channel & supports our existing field sales channel
- Enables LAWS to capture new types of sales & customers
- Frees up sales reps thereby increasing sales productivity
- 2011 investment of \$2.6 million plus ~\$1.4 million of expected annual maintenance/enhancements
- Anticipated payback of ~2 years

88% of our customers want to order over the web





5. Building an Efficient Platform to Drive Future Growth

Sales Transformation – Same-Day Shipping & Next-Day Delivery

- Between 10-13% of sales in MRO industry come from unplanned and/or on-demand buying
- Providing same-day shipping and next-day delivery ensures LAWS can capture a greater share of this market
- Same-day shipping currently being rolled out in stages (web, phone, agents)
- Unplanned market currently represents <1% of LAWS sales, but should grow to industry standard over the next 5 years





5. Building an Efficient Platform to Drive Future Growth

Sales Transformation – Channel Strategy

- Opportunity to generate significant value by developing specialized channel strategies where LAWS is already strong, including:
 - Government
 - Automotive
 - Strategic Accounts
- Segmentation in areas where LAWS already has strong penetration will enable the Company to:
 - Capture greater market share of chosen segments
 - Drive greater value from customers in these segments
 - Promote opportunities for applying centralized knowledge base in other territories over the long-term





5. Building an Efficient Platform to Drive Future Growth

Build or Buy

- In addition to driving organic growth through building an enhanced platform, LAWS will also consider complementary M&A and partnership opportunities
- The parameters for such investments:
 - Support targeted end-market segment(s)
- AND -
 - Provide positive cash flows (i.e. not a turn-around)
- AND -
 - Leverage on existing infrastructure
- AND -
 - Provide significant synergistic opportunities
- Targets likely to have \$15m - \$75m in sales with pre-integration EBITDA margin of ~5% with 10%+ post-integration opportunity





6. Financial Highlights – Income Statement

(Amounts in thousands - except per share data)

	2010				2009	Full Year	
	Q4	Q3	Q2	Q1	Q4	2010	2009
Average Daily Sales	\$ 1,312	\$ 1,274	\$ 1,255	\$ 1,189	\$ 1,160	\$ 1,257	\$ 1,197
Net sales	\$ 80,012	\$ 81,553	\$ 80,305	\$ 74,910	\$ 70,767	\$ 316,780	\$ 301,769
Cost of goods sold	30,248	31,605	31,516	28,585	27,857	121,954	116,210
Gross profit	\$ 49,764	\$ 49,948	\$ 48,789	\$ 46,325	\$ 42,910	\$ 194,826	\$ 185,559
Operating Expenses:							
Selling, general, & administrative expenses	\$ 47,923	\$ 43,606	\$ 45,323	\$ 43,169	\$ 43,501	\$ 180,021	\$ 177,421
Severance expenses	646	1,333	1,224	426	139	3,629	6,228
Loss (gain) on sale of assets	-	-	-	(1,701)	-	(1,701)	16
Other operating (income) expenses	-	(3,500)	(550)	-	367	(4,050)	481
Operating expenses	48,569	41,439	45,997	41,894	44,007	177,899	184,146
Operating income (loss)	\$ 1,195	\$ 8,509	\$ 2,792	\$ 4,431	\$ (1,097)	\$ 16,927	\$ 1,413
Other income (expense)	135	(14)	23	16	132	160	1,029
Interest expense	(5)	(105)	(196)	(85)	(563)	(391)	(1,037)
Income (loss) before income taxes	1,325	8,390	2,619	4,362	(1,528)	16,696	1,405
Income tax expense (benefit)	1,213	2,624	1,139	2,130	(1,453)	7,106	(507)
Income (loss) from continuing operations	\$ 112	\$ 5,766	\$ 1,480	\$ 2,232	\$ (75)	\$ 9,590	\$ 1,912
Basic income (loss) per share of common stock:							
Continuing operations	\$ 0.01	\$ 0.68	\$ 0.17	\$ 0.26	\$ (0.01)	\$ 1.13	\$ 0.22
Diluted income (loss) per share of common stock:							
Continuing operations	\$ 0.01	\$ 0.68	\$ 0.17	\$ 0.26	\$ (0.01)	\$ 1.12	\$ 0.22





6. Financial Highlights – Balance Sheet

(Amounts in thousands)

	December, 31	
	2010	2009
Assets		
Current Assets:		
Cash and cash equivalents	\$ 40,566	\$ 8,787
Accounts receivable, net	33,398	29,397
Inventories	47,167	43,397
Miscellaneous receivables and prepaid expenses	8,905	10,142
Deferred income taxes	4,251	4,819
Property held for sale	-	332
Discontinued operations	619	41,446
Total Current Assets	134,906	138,320
Property, plant and equipment, net	44,442	40,328
Cash value of life insurance	15,660	17,021
Deferred income taxes	11,492	15,249
Goodwill	28,307	27,957
Other	1,577	2,461
Discontinued operations	-	311
Total Assets	\$ 236,384	\$ 241,647
Liabilities And Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$ 18,195	\$ 12,302
Accrued expenses and other liabilities	35,348	33,086
Settlement payable	-	10,000
Discontinued operations	2,008	7,852
Total Current Liabilities	55,551	63,240
Security bonus plan	25,602	25,931
Deferred compensation	10,792	10,374
Other	1,574	5,456
	37,968	41,761
Total Stockholders' Equity / Net Assets	142,865	136,646
Total Liabilities and Stockholders' Equity	\$ 236,384	\$ 241,647



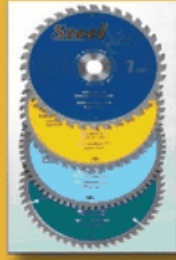


7. Key Take-Aways

- Increased earnings in 2010 & improved relationships with existing customers
- Strong balance sheet, margins & cash resources enable significant investment in growth
- Building the right platform to leverage future growth
- Experienced leadership team with track record of successful execution
- Strong dividend yield

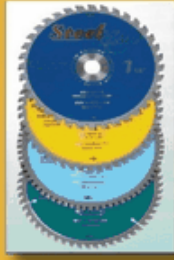
Lawson Products: Evolving, Growing, Leading





Questions?

 **LAWSON** Products



Appendix

 **LAWSON** Products



Appendix: Financial Highlights – 5 Year Income Statement

(Amounts in thousands - except per share data)

	Year ended December 31,				
	2010	2009	2008	2007	2006
<i>Average daily sales</i>	\$ 1,257	\$ 1,197	\$ 1,488	\$ 1,555	\$ 1,535
Net sales	\$ 316,780	\$ 301,769	\$ 376,572	\$ 390,307	\$ 386,780
Cost of goods sold	121,954	116,210	139,785	139,620	133,405
Gross profit	194,826	185,559	236,787	250,687	253,375
Operating expenses:					
Selling, general and administrative expenses	180,021	177,421	211,100	218,290	232,591
Severance expenses	3,629	6,228	5,238	11,628	1,111
Loss (gain) on sale of assets	(1,701)	16	44	-	806
Other operating (income) expenses	(4,050)	481	35,616	5,793	3,224
Operating expenses	177,899	184,146	251,998	235,711	237,732
Operating income (loss)	16,927	1,413	(15,211)	14,976	15,643
Other income (expenses), net	(231)	(8)	(163)	(278)	2,070
Income (loss) before income taxes	16,696	1,405	(15,374)	14,698	17,713
Income tax expense (benefit)	7,106	(507)	8,305	6,436	8,349
Income (loss) from continuing operations	\$ 9,590	\$ 1,912	\$ (23,679)	\$ 8,262	\$ 9,364
Basic income (loss) per share of common stock:					
Continuing operations	\$ 1.13	\$ 0.22	\$ (2.78)	\$ 0.97	\$ 1.05
Diluted income (loss) per share of common stock:					
Continuing operations	\$ 1.12	\$ 0.22	\$ (2.78)	\$ 0.97	\$ 1.05

