
**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): August 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 and Investor Presentation Executive Summary ("Executive Summary") which is furnished as Exhibit 99.2 to this Report on Form 8-K. Copies of the Presentation and Executive Summary are also available on the Company's website at www.lawsonproducts.com

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

99.1 Investor Presentation

99.2 Investor Presentation Executive Summary

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.

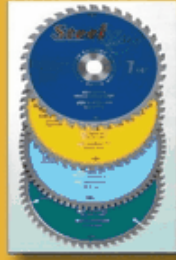
LAWSON PRODUCTS, INC.
(Registrant)

Date: August 16, 2011

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

Exhibit Index

Exhibit No.	Description
99.1	Investor Presentation
99.2	Investor Presentation Executive Summary



**Investor Presentation
August 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 and updated in its Quarterly Report on Form 10-Q for the quarter ended June 30, 2011.

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. MRO Industry Overview
2. Lawson Products at a Glance
3. Leadership Team
4. Investment Considerations
5. Long Term Strategy will Drive Future Growth
6. Financial Highlights
7. Key Take-Aways





1. The MRO Industry is Highly Fragmented with Significant Opportunity

- Large and highly fragmented industry
- North American industrial distribution market is broadly defined at +\$200 billion in 2010 ⁽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
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(1) Source: Modern Distribution Management, March 10, 2011

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





2. At a Glance: Lawson Products is Poised to Grow in the Industry

Company Overview

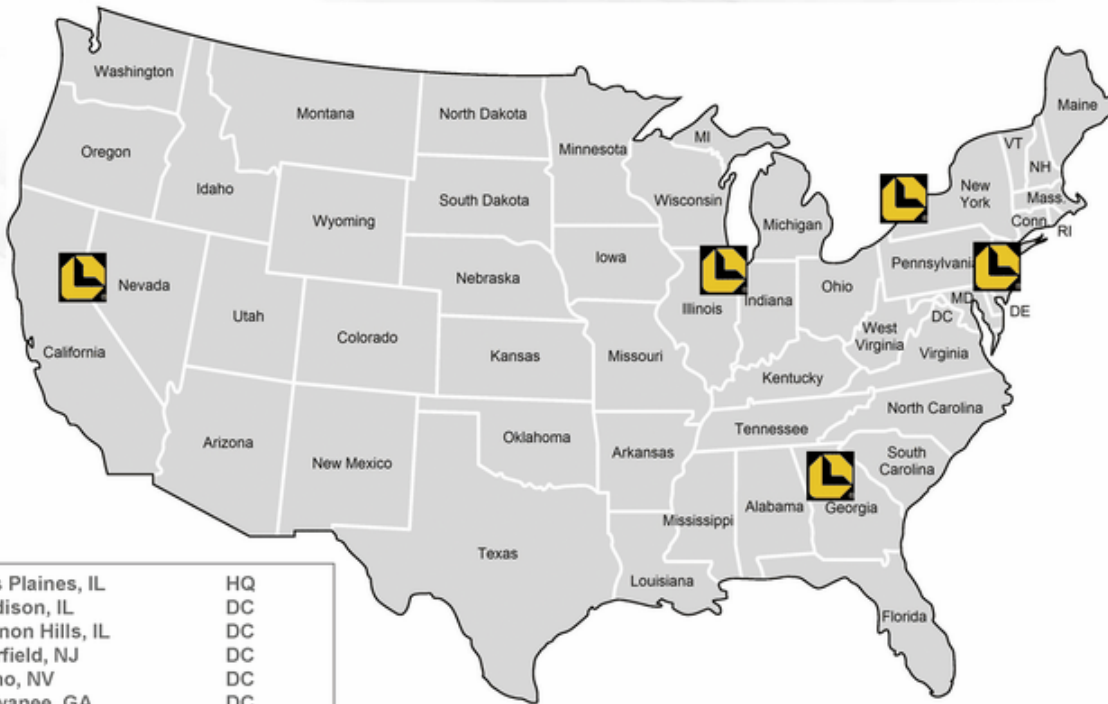
- Founded in 1952 by Sid Port who had an entrepreneurial vision
- Listed on NASDAQ (Ticker: LAWS) since 1970; majority of stock was family held
- Serves industrial, commercial, institutional & government markets in all 50 U.S. states, Canada & Puerto Rico
- Supplies 300,000+ products
 - Fasteners, cutting tools, chemicals, abrasives, safety, welding, hydraulic & automotive products
- Headquartered in Des Plaines, IL
 - 6 distribution centers, 1 repackaging facility & 1 corporate HQ
 - ~2,000 employees & independent sales agents

In 2005, new leadership took over the company and developed a multi-year business transformation plan





2. Lawson Products – At a Glance



Des Plaines, IL	HQ
Addison, IL	DC
Vernon Hills, IL	DC
Fairfield, NJ	DC
Reno, NV	DC
Suwanee, GA	DC
Mississauga, ON (Canada)	DC





2. Lawson Products Has Delivered Sustained Growth

Financial Highlights

- Growing Average Daily Sales (ADS) with diverse revenue streams
 - ADS of \$1,315 in Q2 2011 vs. \$1,255 in Q2 2010
- Improving Average Order Size and Daily Orders per Agent
- Reducing costs while investing in future growth
- Growing EBITDA
- Strong Balance Sheet
- Significant cash on hand for bolt-on M&A opportunities
- Solid dividend yield





3. Strong Leadership Team Has a Clear Vision to Drive Growth

Leadership Team

- Tom Neri, President & Chief Executive Officer
 - Joined in March 2003 as CFO
 - Senior positions in publishing, including EVP of the Sun-Times Company and President & Publisher of Pioneer Newspapers, Inc.
- 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.
- 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.





4. Investment Considerations

- Operate in a fragmented, but resilient and growing industry
 - The MRO market remained steady during crisis period & is now recovering
- Committed to evolving LAWS into a leading player by executing a strategy to achieve profitable long-term growth
 - Have identified our core strengths & are taking advantage of them
 - Building an efficient platform from which we can drive significant growth:
 - ERP
 - Network Optimization
 - Sales Transformation
- Rewarding shareholders with consistent dividends payments
 - Increased quarterly dividend to \$0.12 representing a yield of >2.0%*

* As of June 2011 closing price





4. Investment Considerations: We Have Identified Our Core Strengths



Deep product knowledge and product application expertise

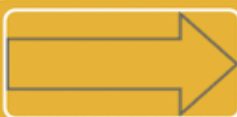
- Tailored solutions for customers
- Knowledgeable, experienced sales reps with an average of 12 years of experience
- Strong customer relationships



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. Investment Considerations: Extensive Customer Research Confirms Strengths and Opportunities

Current Strength

Customer Feedback

Opportunities

75% prefer ordering through field sales representatives

88% also want web ordering option

82% say technical support very important

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

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

"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 needs





4. Investment Considerations: There are Clear Opportunities for Future Growth

Core Business Today

“Planned” Products for
Inventory Management



*Customers have the 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: Driving Future Growth **Three Strategic Initiatives Will Help Us Realize Business Potential**

Through these initiatives, we will deliver an enhanced customer experience, support sales growth and improve operating performance

ERP Implementation

Network Optimization

Sales Transformation





5. Driving Future Growth ERP Initiative

ERP Transformation

Timing	Key Benefits	Costs/Savings
<ul style="list-style-type: none">• Successful Phase 1 implementation completed: August 2011• Smaller Phase 2 slated for 2012• Expect to realize ongoing benefits beginning in 2012	<ul style="list-style-type: none">• Facilitates easier ordering• Enables improved customer servicing• Drives sales momentum, which will begin to be realized in 2012• Enables LAWS to implement centralized market-based pricing strategy• With new eCommerce site, sales reps will have full customer view	<ul style="list-style-type: none">• Implementation costs of \$25-28 million• 10-year IRR forecast of ~25% with anticipated 4-5 yr payback





Network Optimization

- Currently own 5 distribution centers (DCs) in the US and 1 in Canada – consolidated 2 DCs in 2009
- 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 overall fixed-cost base
- Will provide tangible benefits to customers & increase efficiency within existing and/or new facilities
- Potential to create significant cost savings through efficiencies, working capital reductions & potential sale/leaseback opportunities





5. Driving Future Growth Sales Transformation

Sales Transformation – eCommerce

Timing	Key Benefits	Costs/Savings
<ul style="list-style-type: none">• Launching of a new eCommerce website in early 2012	<ul style="list-style-type: none">• Creates a new sales channel• Supports existing field sales channel• Enables LAWS to capture new types of sales & customers• Boosts sales productivity by freeing up sales reps to focus on larger, more lucrative accounts	<ul style="list-style-type: none">• 2011 investment of \$2.6 million plus ~\$0.9 million of expected annual maintenance/enhancements• Anticipated payback of ~2 years

88% of our customers want to order over the web





5. Driving Future Growth Sales Transformation

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 & 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





Sales Transformation – Segment Strategy

- Opportunity to generate significant value by developing specialized segments 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. Driving Future Growth

Build or Buy Strategy

- 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% and 10%+ post-integration opportunity





6. Financial Highlights – Income Statement

(Amount in thousands, except per share data)

	2011		2010				Full Year	
	Q2	Q1	Q4	Q3	Q2	Q1	2010	2009
Average Daily Sales	\$ 1,315	\$ 1,311	\$ 1,312	\$ 1,274	\$ 1,255	\$ 1,189	\$ 1,257	\$ 1,197
Net sales	\$ 84,154	\$ 82,579	\$ 80,012	\$ 81,553	\$ 80,305	\$ 74,910	\$ 316,780	\$ 301,769
Cost of goods sold	35,855	32,640	30,248	31,605	31,516	28,585	121,954	116,210
Gross profit	\$ 48,299	\$ 49,939	\$ 49,764	\$ 49,948	\$ 48,789	\$ 46,325	\$ 194,826	\$ 185,559
Operating Expenses:								
Selling, general, & administrative expenses	\$ 46,242	\$ 45,449	\$ 47,923	\$ 43,606	\$ 44,773	\$ 43,719	\$ 180,021	\$ 177,421
Severance expense	465	745	646	1,333	1,224	426	3,629	6,228
Loss (gain) on sale of assets	-	-	-	-	-	(1,701)	(1,701)	16
Other operating (income) expenses	-	-	-	(3,500)	-	(550)	(4,050)	481
Operating expenses	46,707	46,194	48,569	41,439	45,997	41,894	177,899	184,146
Operating income	\$ 1,592	\$ 3,745	\$ 1,195	\$ 8,509	\$ 2,792	\$ 4,431	\$ 16,927	\$ 1,413
Interest expense	(71)	(512)	(5)	(105)	(196)	(85)	(391)	(1,037)
Other income (expense)	63	16	135	(14)	23	16	160	1,029
Income before income taxes	1,584	3,249	1,325	8,390	2,619	4,362	16,696	1,405
Income tax expense (benefit)	496	1,199	1,213	2,624	1,139	2,130	7,106	(507)
Income from continuing operations	\$ 1,088	\$ 2,050	\$ 112	\$ 5,766	\$ 1,480	\$ 2,232	\$ 9,590	\$ 1,912
Diluted income per share of common stock:								
Continuing operations	\$ 0.13	\$ 0.24	\$ 0.01	\$ 0.68	\$ 0.17	\$ 0.26	\$ 1.12	\$ 0.22





6. Financial Highlights – Balance Sheet

(Amounts in thousands)

	June 30,	December 31,	
	2011	2010	2009
Assets			
Current Assets:			
Cash and cash equivalents	\$ 22,734	\$ 40,566	\$ 8,787
Accounts receivable, net	37,313	33,398	29,397
Inventories	50,494	47,167	43,397
Miscellaneous receivables and prepaid expenses	6,750	8,905	10,142
Deferred income taxes	4,340	4,251	4,819
Property held for sale	-	-	332
Discontinued operations	653	619	41,446
Total Current Assets	122,284	134,906	138,320
Property, plant and equipment, net	49,578	44,442	40,328
Cash value of life insurance	16,112	15,660	17,021
Deferred income taxes	10,075	11,492	15,249
Goodwill	28,550	28,307	27,957
Other assets	1,015	1,577	2,461
Discontinued operations	-	-	311
Total Assets	\$ 227,614	\$ 236,384	\$ 241,647
Liabilities and Stockholders' Equity			
Current Liabilities:			
Accounts payable	\$ 18,006	\$ 18,195	\$ 12,302
Accrued expenses and other liabilities	26,390	35,348	33,086
Settlement payable	-	-	10,000
Discontinued operations	590	2,008	7,852
Total Current Liabilities	44,986	55,551	63,240
Security bonus plan	25,109	25,602	25,931
Deferred compensation	10,923	10,792	10,374
Other	1,655	1,574	5,456
	37,687	37,968	41,761
Total Stockholders' Equity	144,941	142,865	136,646
Total Liabilities and Stockholders' Equity	\$ 227,614	\$ 236,384	\$ 241,647





7. Key Takeaways

Our Vision, Mission, and Values Guide our Strategic Plan

VISION, MISSION AND VALUES

Planting the Seeds for Growth

VISION

What we aspire to be

To be our customers' first choice for maintenance, repair and operational solutions that improve their operating performance.

MISSION

What we do to achieve our vision

We work closely with our customers to maintain and enhance their operations through products, services and innovative solutions.



VALUES

Operating philosophies or principles that guide our internal conduct and relationships with external stakeholders.

INTEGRITY

We act with integrity in every aspect of our business.

PROGRESSIVE

We are open to change, focused on the future and continuously learning and improving.

RESULTS DRIVEN

We are focused on delivering value and results.

TEAM ORIENTED

We share ideas, talents and solutions to achieve maximum results.



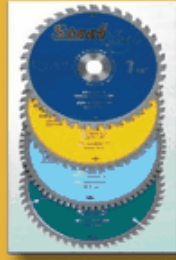


7. Key Take-Aways

- Consistent growth in average daily sales with enhanced relationships with existing customers
- Strong balance sheet, margins & cash resources enable significant investment in growth
- Building the right platform to support future growth
- Experienced leadership team with track record of successful execution
- Strong dividend yield

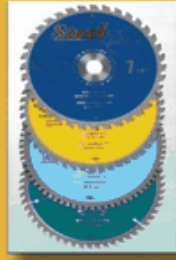
Lawson Products: Evolving, Growing, Leading





Questions?

 **LAWSON** Products



Appendix

 **LAWSON** Products

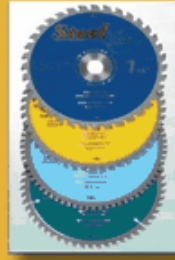


Appendix: Financial Highlights – 5 Year Income Statement

(Amount in thousands, except per share data)

	Year ended December 31,				
	2010	2009	2008	2007	2006
Average daily sales	\$ 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	127,535	121,176
Gross profit	194,826	185,559	236,787	262,772	265,604
Operating expenses:					
Selling, general and administrative	180,021	177,421	211,100	230,375	244,820
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	247,796	249,961
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 (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
Diluted income pershare of common stock:					
Continuing operations	\$ 1.12	\$ 0.22	\$ (2.78)	\$ 0.97	\$ 1.05





**Investor Presentation
August 2011
Executive Summary**

 **LAWSON** Products



The MRO Industry is Highly Fragmented with Significant Opportunity

- Large and highly fragmented industry
- North American industrial distribution market is broadly defined at +\$200 billion in 2010 ⁽¹⁾
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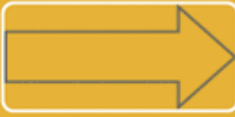
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The Team Identified our Competitive Advantages



Deep product knowledge and product application expertise

- Tailored solutions for customers
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S149-5/11





Q&A

