

## Non-GAAP Financial Measures

To supplement MSC's unaudited selected financial data presented on a basis consistent with Generally Accepted Accounting Principles ("GAAP"), the Company discloses certain non-GAAP financial measures, including adjusted operating expenses, adjusted operating income, adjusted net income, and adjusted net income per diluted share. The adjusted supplemental measures exclude non-recurring costs associated with the Class C Solutions Group ("CCSG") (formerly Barnes Distribution North America) acquisition and the co-location of our corporate headquarters in Davidson, North Carolina and the related tax effects. These non-GAAP measures are not in accordance with or an alternative for GAAP, and may be different from non-GAAP measures used by other companies. We believe that these non-GAAP measures have limitations in that they do not reflect all of the amounts associated with MSC's results of operations as determined in accordance with GAAP and that these measures should only be used to evaluate MSC's results of operations in conjunction with the corresponding GAAP measures. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the most directly comparable GAAP measures. We compensate for the limitations of non-GAAP financial measures by relying upon GAAP results to gain a complete picture of Company performance.

In calculating non-GAAP financial measures, we exclude these non-recurring costs to facilitate a review of the comparability of the Company's operating performance on a period-to-period basis because such costs are not, in our view, related to the Company's ongoing operational performance. We use non-GAAP measures to evaluate the operating performance of our business, for comparison with forecasts and strategic plans, and for benchmarking performance externally against competitors. In addition, we use non-GAAP financial measures as performance metrics for management incentive programs. Since we find these measures to be useful, we believe that investors benefit from seeing results "through the eyes" of management in addition to seeing GAAP results. We believe that these non-GAAP measures, when read in conjunction with the Company's GAAP financials, provide useful information to investors by offering:

- The ability to make more meaningful period-to-period comparisons of the Company's on-going operating results;
- The ability to better identify trends in the Company's underlying business and perform related trend analyses; and
- A better understanding of how management plans and measures the Company's underlying business.

The following tables reconcile GAAP operating expenses, GAAP operating income, GAAP net income and GAAP net income per diluted share ("EPS") to non-GAAP adjusted operating expenses, adjusted operating income, adjusted net income, and adjusted net income per diluted share:

	Thirteen Weeks Ended May 31, 2014	
	(dollars in thousands)	Margin
GAAP Operating income	\$104,886	14.6%
Non-recurring costs	2,426	
Adjusted Operating income	\$107,312	14.9%

	Thirteen Weeks Ended May 31, 2014	
	(dollars in thousands)	% of Sales
GAAP Operating expenses	\$228,508	31.7%
Non-recurring costs	2,426	
Adjusted Operating expenses	\$226,082	31.4%

	Thirteen Weeks Ended June 1, 2013	
	(dollars in thousands)	Margin
GAAP Operating income	\$100,246	15.7%
Non-recurring costs	6,385	
Adjusted Operating income	\$106,631	16.7%

	Thirteen Weeks Ended June 1, 2013	
	(dollars in thousands)	% of Sales
GAAP Operating expenses	\$189,267	29.7%
Non-recurring costs	6,385	
Adjusted Operating expenses	\$182,882	28.7%

	Thirteen Weeks Ended May 31, 2014	Thirteen Weeks Ended June 1, 2013
(dollars in thousands)		
Sales	\$720,476	\$636,923
Cost of Sales	387,082	347,410
Gross Margin	333,394	289,513
Operating Expenses	228,508	189,267
Income from Operations	104,886	100,246
Non-recurring costs	2,426	6,385
Adjusted Operating income	\$107,312	\$106,631

	Thirteen Weeks Ended May 31, 2014	
<i>(in thousands, except per share amounts)</i>	\$(after tax)	Diluted EPS**
GAAP net income	\$64,696	\$1.03
Non-recurring costs*	1,507	0.02
Adjusted net income	\$66,203	\$1.06

\* On a pre-tax basis includes approximately \$127 of non-recurring relocation costs associated with the Co-Location of the Company's headquarters in Davidson, North Carolina and approximately \$2,299 of non-recurring integration costs associated with the CCSG acquisition for the thirteen weeks ended May 31, 2014. The non-recurring costs were calculated using an effective tax rate of 37.9%.

\*\* Individual amounts of earnings per share may not agree to the total due to rounding

	Thirteen Weeks Ended June 1, 2013	
<i>(in thousands, except per share amounts)</i>	\$(after tax)	Diluted EPS
GAAP net income	\$62,354	\$0.98
Non-recurring costs*	4,390	0.07
Adjusted net income	\$66,744	\$1.05

\* On a pre-tax basis includes approximately \$930 of non-recurring relocation costs associated with the Co-Location of the Company's headquarters in Davidson, North Carolina and approximately \$6,049 of non-recurring transaction costs associated with the CCSG acquisition for the thirteen weeks ended June 1, 2013. The non-recurring costs were calculated using an effective tax rate of 37.1%.