

## **MSC Industrial Direct Co., Inc. Reports Results for its Fiscal 2010 Second Quarter**

**Melville, NY, April 7, 2010 - MSC INDUSTRIAL DIRECT CO., INC. (NYSE: MSM)** , “MSC” or the “Company,” one of the largest direct marketers and premier distributors of Metalworking and Maintenance, Repair and Operations (“MRO”) supplies to industrial customers throughout the United States, today reported financial results for its fiscal 2010 second quarter ended February 27, 2010.

For the fiscal 2010 second quarter, net sales rose 12.4% to \$395.5 million, compared with \$351.9 million in the prior year period. Operating income increased 15.4% in the fiscal 2010 second quarter to \$49.9 million, or 12.6% of net sales, from \$43.2 million, or 12.3% of net sales, in the second quarter of fiscal 2009. For the second quarter of fiscal 2010, the Company reported net income of \$30.6 million, an increase of 16.6% over net income of \$26.3 million in the second quarter of fiscal 2009. Diluted earnings per share in the fiscal 2010 second quarter were \$0.48 (based on 63.0 million diluted shares outstanding), compared to \$0.42 (based on 62.3 million diluted shares outstanding) in the same period a year ago, an increase of 14.3%.

Net sales for the first half of fiscal 2010 were \$780.3 million compared with net sales of \$784.9 million in the first half of fiscal 2009. Operating income for the first half of fiscal 2010 was \$100.9 million, or 12.9% of net sales, versus \$117.7 million, or 15.0% of net sales, in the first half of fiscal 2009. Net income for the first half of fiscal 2010 was \$62.1 million compared with \$71.4 million in the prior year period. Diluted earnings per share for the first half of fiscal 2010 were \$0.98 (based on 62.9 million diluted shares outstanding), compared to \$1.14 (based on 62.3 million diluted shares outstanding) a year ago.

David Sandler, President and Chief Executive Officer said, “The fiscal second quarter reflected solid performance against a backdrop of improving market conditions. Driven by excellent execution, we generated sales and profitability performance that met or exceeded our expectations as we continued to take market share and make steady progress on our strategic investment programs. Importantly, while our overall growth was largely driven by the performance of our Large Account Program, we were also encouraged by the improvements we saw from our traditional customer base in the quarter.”

“Profitability for the period was solid and our balance sheet and liquidity remain strong,” said Chuck Boehlke, Executive Vice President and Chief Financial Officer. “We improved both inventory turns and days sales outstanding in receivables, allowing us to convert approximately 90% of net income into operating cash flow and generate free cash flow (see Note 1) of \$19.8 million. Our improving revenue outlook will provide the basis for expanding operating margins and continued strong cash generation.”

Mr. Sandler concluded, “Having passed through the most challenging economic climate in recent history, we are now seeing encouraging signs of stabilization in the market. We believe the steps we have taken through the economic downturn are now delivering the market share gains and the financial performance we expected. While the recovery is still in its early stages, we have seen our sales growth rate accelerate and believe this sales momentum is real and sustainable going forward, particularly in light of performance to date in the fiscal third quarter. In this environment, we will remain focused on outstanding execution and capitalizing on the opportunities we see in the marketplace.”

For the fiscal 2010 third quarter, the Company expects net sales to be between \$436.0 million and \$448.0 million, and expects diluted earnings per share to be between \$0.63 and \$0.67. The Company noted that the fiscal 2010 third quarter has one more sales day than the third quarter of fiscal 2009.

The management of MSC will host a conference call today, at 11:00 a.m. Eastern Time, to review the Company’s results for the fiscal 2010 second quarter, and to comment on current operations. The call may be accessed via the Internet in the Investor Relations section (under “About MSC”) of MSC’s website located at: [www.mscdirect.com](http://www.mscdirect.com). A replay of the conference call will be available on the Company’s website through April 21, 2010.

Note 1 – Free cash flow is defined as net cash provided by operating activities less expenditures for property, plant and equipment as shown on the Company’s consolidated statements of cash flows. Net cash provided by operating activities during the fiscal 2010 second quarter was \$27.4 million. Expenditures for property, plant and equipment during the fiscal 2010 second quarter was \$7.6 million. Management considers free cash flow to be an important indicator of the Company’s financial strength and the ability to generate liquidity because it reflects cash generated from operations that can be used for strategic initiatives, dividends, debt repayment and repurchases of the Company’s stock. Free cash flow is not a measure determined in accordance with U.S. generally accepted accounting principles (“GAAP”), and may not be defined and calculated by other companies in the same manner. Free cash flow should not be considered a substitute for “Operating income,” “Net

income,” “Net cash flows provided by operating activities” or any other measure determined in accordance with GAAP.

**About MSC Industrial Direct Co., Inc.**

MSC Industrial Direct Co., Inc. is one of the largest direct marketers and premier distributors of Metalworking and Maintenance, Repair and Operations (“MRO”) supplies to industrial customers throughout the United States. MSC distributes approximately 600,000 industrial products from approximately 3,000 suppliers to approximately 330,000 customers. In-stock availability is approximately 99%, with next day standard delivery to the contiguous United States on qualifying orders up until 8:00 p.m. Eastern Time. MSC reaches its customers through a combination of approximately 29 million direct-mail catalogs and CD-ROMs, 95 branch sales offices, 949 sales people, the Internet and associations with some of the world's most prominent B2B eCommerce portals. For more information, visit the Company's website at <http://www.mscdirect.com>.

CAUTIONARY STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. Statements in this Press Release may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Any statements contained herein which are not statements of historical facts and that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future, including statements about future expected net sales and diluted earnings per share and expectations as to revenue, earnings and margin growth, shall be deemed to be forward-looking statements. Forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events, actual results and performance, financial and otherwise, could differ materially from those set forth in or contemplated by the forward-looking statements herein. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The inclusion of any statement in this release does not constitute an admission by MSC or any other person that the events or circumstances described in such statement are material. Factors that could cause actual results to differ materially from those in forward-looking statements include, without limitation, current economic, political and social conditions, changing customer and product mixes, financial restrictions on outstanding borrowings, industry consolidation, competition, general economic conditions in the markets in which the Company operates, volatility in commodity and energy prices, credit risk of our customers, risk of cancellation or rescheduling of orders, work stoppages or other business interruptions (including those due to extreme weather conditions) at transportation centers or shipping ports, the risk of war, terrorism and similar hostilities, dependence on the Company's information systems and on key personnel, and the outcome of potential government or regulatory proceedings or future litigation relating to pending or future claims, inquiries or audits. Additional information concerning these and other risks is described under “Risk Factors” and “Management's Discussion and Analysis of Financial Condition and Results of Operations” in the Company's reports on Forms 10-K, 10-Q and 8-K that the Company files with the U.S. Securities and Exchange Commission. The forward-looking statements in this press release are based on current expectations and the Company assumes no obligation to update these forward-looking statements.

See financial tables in attachment.

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