

MSC Industrial Direct Co., Inc. Reports Results for its Fiscal 2010 First Quarter

Melville, NY, January 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 Operation (“MRO”) supplies to industrial customers throughout the United States, today reported financial results for its fiscal 2010 first quarter ended November 28, 2009.

For the fiscal 2010 first quarter, net sales were \$384.8 million, compared with \$433.0 million in the prior year period. Fiscal 2010 first quarter operating income was \$51.0 million, or 13.3% of net sales, compared with \$74.4 million, or 17.2% of net sales, in the prior year period. For the first quarter of fiscal 2010, the Company reported net income of \$31.4 million, compared with net income of \$45.1 million in the first quarter of fiscal 2009. Diluted earnings per share in the fiscal 2010 first quarter were \$0.50 (based on 62.7 million diluted shares outstanding), compared to \$0.72 (based on 62.3 million diluted shares outstanding) in the same period a year ago.

“The fiscal first quarter produced solid results for MSC,” said David Sandler, President and Chief Executive Officer. “Despite operating in a business environment that remained difficult, we generated results in-line with our expectations and continued to take market share. While customers continue to watch spending carefully, average daily sales improved during the quarter. Much of the improvement came from our large accounts, where demand has recovered more quickly than our more traditional customer base. Finally, we continue to implement our strategic investment programs that we anticipate will enhance our sales growth, productivity and profitability as the economy recovers.”

“Our financial performance in the fiscal 2010 first quarter reflected strong execution in all aspects of our business,” said Chuck Boehlke, Executive Vice President and Chief Financial Officer. “We posted sequential average daily sales growth of approximately 12% from fiscal 2009 fourth quarter levels, and continue to operate from a position of financial strength and liquidity that gives us a significant competitive advantage. Our cash generation performance remained strong, as cash flow from operations totaled 149% of net income for the fiscal first quarter, and MSC generated \$41.7 million in free cash flow (see Note 1) during the period.”

Mr. Sandler concluded, “Leveraging our 70 years of experience, we took the right steps to adapt to market conditions in fiscal 2009. We slowed spending, enhanced our value proposition, retained our trained associates, generated significant cash and aggressively took market share. While we are pleased with our performance in the first quarter of fiscal 2010, we continue to operate in a challenging environment with limited visibility. We are encouraged to see the sales momentum from our first quarter build in the second quarter. However, our margin structure in the near-term will continue to reflect changes in sales and margin mix, the cost of our strategic investment initiatives, restoration of associate compensation and the effects of a highly competitive marketplace. We remain convinced that the current market represents the greatest opportunity in our history to take market share and grow. We are confident that our work through the downturn has set the stage for significant revenue and earnings growth over the long term as economic conditions normalize.”

For the fiscal 2010 second quarter, the Company currently expects net sales of between \$384.0 million and \$396.0 million, and expects diluted earnings per share to be between \$0.43 and \$0.47. Expectations are based on MSC’s financial performance in the first several weeks of the second quarter of fiscal 2010.

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 first 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. A replay of the conference call will be available on the Company’s website through January 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 first quarter was \$46.8 million. Expenditures for property, plant and equipment during the fiscal 2010 first quarter was \$5.1 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 336,000 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, 99 branch sales offices, 947 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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