FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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MSC INDUSTRIAL DIRECT CO INC
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 1, 2012

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For transition period from to

Commission File No.: 1-14130

MSC INDUSTRIAL DIRECT CO., INC.

(Exact name of registrant as specified in its charter)

New York	**11-3289165**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
75 Maxess Road, Melville, New York	**11747**
(Address of principal executive offices)	(Zip Code)

(516) 812-2000

(Registrant' s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a "smaller reporting company." See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of January 3, 2013, 48,349,404 shares of Class A common stock and 14,800,294 shares of Class B common stock of the registrant were outstanding.

SAFE HARBOR STATEMENT

This Quarterly Report on Form 10-Q (the "Report") contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Discussions containing such forward-looking statements may be found in Items 2 and 3 of Part I of this Report, as well as within this Report generally. The words "believes," "anticipates," "thinks," "expects," "estimates," "plans," "intends," and similar expressions are intended to identify forward-looking statements. In addition, any statements which refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. We undertake no obligation to publicly disclose any revisions to these forward-looking statements to reflect events or circumstances occurring subsequent to filing this Report with the Securities and Exchange Commission (the "SEC"). These forward-looking statements are subject to risks and uncertainties, including, without limitation, those discussed in this section and Items 2 and 3 of Part I, as well as in Part II, Item 1A, "Risk Factors" of this Report, and in Part I, Item 1A, "Risk Factors" and in Part II, Item 7, "Management' s Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended September 1, 2012. In addition, new risks emerge from time to time and it is not possible for management to predict all such risk factors or to assess the impact of such risk factors on our business. Accordingly, future results may differ materially from historical results or from those discussed or implied by these forward-looking statements. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. These risks and uncertainties include, but are not limited to:

- current economic, political, and social conditions;
- general economic conditions in the markets in which the Company operates;
- changing customer and product mixes;
- risks associated with acquisitions, including difficulties with integrating acquired businesses;
- competition;
- industry consolidation and other changes in the industrial distribution sector;
- volatility in commodity and energy prices;
- the outcome of potential government or regulatory proceedings or future litigation;
- credit risk of our customers;
- risk of cancellation or rescheduling of customer orders;
- work stoppages or other business interruptions (including those due to extreme weather conditions) at transportation centers or shipping ports;
- risk of loss of key suppliers, key brands or supply chain disruptions;
- dependence on our information systems;
- retention of key personnel; and
- risk of delays in opening or expanding our customer fulfillment centers or customer service centers.

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PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

MSC INDUSTRIAL DIRECT CO., INC.
Condensed Consolidated Balance Sheets
(In thousands, except share data)

	December 1, 2012	September 1, 2012
	(Unaudited)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 233,506	$ 168,453
Accounts receivable, net of allowance for doubtful accounts of $7,657 and $6,934, respectively	288,288	297,215
Inventories	387,615	393,412
Prepaid expenses and other current assets	33,480	29,313
Deferred income taxes	31,718	31,718
Total current assets	974,607	920,111
Property, plant and equipment, net	187,615	174,597
Goodwill	289,124	289,124
Identifiable intangibles, net	48,546	51,212
Other assets	8,061	9,832
Total assets	$1,507,953	$ 1,444,876
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of capital lease and financing obligations	$ 1,082	$ 1,007
Accounts payable	84,119	96,640
Accrued liabilities	87,834	72,868
Total current liabilities	173,035	170,515
Capital lease obligations, net of current maturities	2,243	2,189
Deferred income taxes and tax uncertainties	85,061	85,061
Total liabilities	260,339	257,765
Commitments and Contingencies		
Shareholders' Equity:		
Preferred stock; $0.001 par value; 5,000,000 shares authorized; none issued and outstanding	–	–
Class A common stock (one vote per share); $0.001 par value; 100,000,000 shares authorized; 53,477,651 and 52,581,838 shares issued, respectively	53	53
Class B common stock (ten votes per share); $0.001 par value; 50,000,000 shares authorized; 15,050,294 and 15,560,294 shares issued and outstanding, respectively	15	16
Additional paid-in capital	502,713	483,682
Retained earnings	1,015,187	970,965
Accumulated other comprehensive loss	(2,174)	(2,443)
Class A treasury stock, at cost, 5,377,967 and 5,342,091 shares, respectively	(268,180)	(265,162)
Total shareholders' equity	1,247,614	1,187,111
Total liabilities and shareholders' equity	$1,507,953	$ 1,444,876

See accompanying notes to condensed consolidated financial statements.

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MSC INDUSTRIAL DIRECT CO., INC.
Condensed Consolidated Statements of Income
(In thousands, except per share data)
(Unaudited)

	Thirteen Weeks Ended	
	December 1, 2012	November 26, 2011
Net sales	$ 577,491	$ 545,703
Cost of goods sold	312,402	293,570
Gross profit	265,089	252,133
Operating expenses	162,737	155,309
Income from operations	102,352	96,824
Other (expense) income:		
Interest expense	(52)	(46)
Interest income	43	50
Other expense, net	(16)	(4)
Total other expense	(25)	–
Income before provision for income taxes	102,327	96,824
Provision for income taxes	39,140	36,987
Net income	$ 63,187	$ 59,837
Per share information:		
Net income per common share:		
Basic	$ 1.01	$ 0.95
Diluted	$ 1.00	$ 0.95
Weighted average shares used in computing net income per common share:		
Basic	62,378	62,285
Diluted	62,701	62,627
Cash dividend declared per common share	$ 0.30	$ 0.25

See accompanying notes to condensed consolidated financial statements.

MSC INDUSTRIAL DIRECT CO., INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Income
(In thousands)
(Unaudited)

	Thirteen Weeks Ended	
	December 1, 2012	November 26, 2011
Net income, as reported	$ 63,187	$ 59,837
Cumulative foreign currency translation adjustment	269	(692)
Comprehensive income	$ 63,456	$ 59,145

See accompanying notes to condensed consolidated financial statements.

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MSC INDUSTRIAL DIRECT CO., INC.
Condensed Consolidated Statement of Shareholders' Equity
Thirteen Weeks Ended December 1, 2012
(In thousands)
(Unaudited)

	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Class A Treasury Stock		Total
	Shares	Amount	Shares	Amount				Shares	Amount at Cost	
Balance at September 1, 2012	52,582	$ 53	15,560	$ 16	$ 483,682	$ 970,965	$ (2,443)	5,342	$ (265,162)	$ 1,187,111
Exchange of Class B common stock for Class A common stock	510	–	(510)	(1)	–	–	–	–	–	(1)
Exercise of common stock options, including income tax benefits of $3,321	268	–	–	–	14,345	–	–	–	–	14,345
Common stock issued under associate stock purchase plan	–	–	–	–	375	–	–	(13)	488	863
Grant of restricted common stock, net of cancellations	118	–	–	–	–	–	–	–	–	–
Stock-based compensation	–	–	–	–	4,253	–	–	–	–	4,253
Purchase of treasury stock	–	–	–	–	–	–	–	49	(3,506)	(3,506)
Cash dividends paid on Class A common stock	–	–	–	–	–	(14,374)	–	–	–	(14,374)
Cash dividends paid on Class B common stock	–	–	–	–	–	(4,533)	–	–	–	(4,533)
Issuance of dividend equivalent units	–	–	–	–	58	(58)	–	–	–	–
Cumulative translation adjustment	–	–	–	–	–	–	269	–	–	269
Net income	–	–	–	–	–	63,187	–	–	–	63,187
Balance at December 1, 2012	53,478	$ 53	15,050	$ 15	$ 502,713	$1,015,187	$ (2,174)	5,378	$ (268,180)	$ 1,247,614

See accompanying notes to condensed consolidated financial statements.

MSC INDUSTRIAL DIRECT CO., INC.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Thirteen Weeks Ended	
	December 1, 2012	November 26, 2011
Cash Flows from Operating Activities:		
Net income	$ 63,187	$ 59,837
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,021	7,823
Stock-based compensation	4,253	3,828
Loss on disposal of property, plant, and equipment	60	1
Provision for doubtful accounts	1,116	1,541
Deferred income taxes	–	4,195
Excess tax benefits from stock-based compensation	(3,451)	(2,784)
Changes in operating assets and liabilities, net of amounts associated with business acquired:		
Accounts receivable	7,931	(5,442)
Inventories	5,915	(16,131)
Prepaid expenses and other current assets	(4,161)	(3,775)
Other assets	1,073	1,942
Accounts payable and accrued liabilities	3,425	(4,843)
Total adjustments	26,182	(13,645)
Net cash provided by operating activities	89,369	46,192
Cash Flows from Investing Activities:		
Expenditures for property, plant and equipment	(16,993)	(8,271)
Cash used in business acquisitions, net of cash received	–	(1,246)
Net cash used in investing activities	(16,993)	(9,517)
Cash Flows from Financing Activities:		
Purchases of treasury stock	(3,506)	(3,331)
Payments of cash dividends	(18,907)	(15,746)
Payments on capital lease and financing obligations	(279)	(136)
Excess tax benefits from stock-based compensation	3,451	2,784
Proceeds from sale of Class A common stock in connection with associate stock purchase plan	863	739
Proceeds from exercise of Class A common stock options	11,024	10,567
Borrowings under financing obligations	–	814
Net cash used in financing activities	(7,354)	(4,309)
Effect of foreign exchange rate changes on cash and cash equivalents	31	(91)
Net increase in cash and cash equivalents	65,053	32,275
Cash and cash equivalents – beginning of period	168,453	95,959
Cash and cash equivalents – end of period	$ 233,506	$ 128,234
Supplemental Disclosure of Cash Flow Information:		
Cash paid for income taxes	$ 5,999	$ 6,602
Cash paid for interest	$ 5	$ –

See accompanying notes to condensed consolidated financial statements.

MSC INDUSTRIAL DIRECT CO., INC.

Notes to Condensed Consolidated Financial Statements
(Dollar amounts and shares in thousands, except per share data)
(Unaudited)

Note 1. Basis of Presentation

The accompanying condensed consolidated financial statements include MSC Industrial Direct Co., Inc. (“MSC”) and all of its subsidiaries (hereinafter referred to collectively as the “Company”). All intercompany balances and transactions have been eliminated in consolidation.

The unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation (consisting of normal recurring adjustments) have been included. Operating results for the thirteen week period ended December 1, 2012 are not necessarily indicative of the results that may be expected for the fiscal year ending August 31, 2013. For further information, refer to the financial statements and notes thereto included in the Company’ s Annual Report on Form 10-K for the fiscal year ended September 1, 2012.

The Company’ s fiscal year ends on the Saturday closest to August 31 of each year. Unless the context requires otherwise, references to years contained herein pertain to the Company’ s fiscal year. The Company’ s 2013 fiscal year will be a 52-week accounting period that will end on August 31, 2013 and the 2012 fiscal year was a 53-week accounting period that ended on September 1, 2012.

Note 2. Net Income per Share

The following table sets forth the computation of basic and diluted net income per common share under the two-class method in accordance with Accounting Standards Codification™ (“ASC”) Topic 260, “Earnings Per Share”:

	Thirteen Weeks Ended	
	December 1, 2012	November 26, 2011
Net income as reported	$ 63,187	$ 59,837
Less: Distributed net income available to participating securities	(117)	(119)
Less: Undistributed net income available to participating securities	(343)	(418)
Numerator for basic net income per share:		
Undistributed and distributed net income available to common shareholders	$ 62,727	$ 59,300
Add: Undistributed net income allocated to participating securities	343	418
Less: Undistributed net income reallocated to participating securities	(342)	(416)
Numerator for diluted net income per share:		
Undistributed and distributed net income available to common shareholders	$ 62,728	$ 59,302
Denominator:		
Weighted average shares outstanding for basic net income per share	62,378	62,285
Effect of dilutive securities	323	342
Weighted average shares outstanding for diluted net income per share	62,701	62,627
Net income per share Two-class method:		
Basic	$ 1.01	$ 0.95
Diluted	$ 1.00	$ 0.95

(Dollar amounts and shares in thousands, except per share data)

Note 2. Net Income per Share – (continued)

Antidilutive stock options (of 0 and 310 shares at December 1, 2012 and November 26, 2011, respectively) were not included in the computation of diluted earnings per share.

Note 3. Stock-Based Compensation

The Company accounts for all share-based payments in accordance with ASC Topic 718, "Compensation − Stock Compensation" ("ASC 718"). The stock-based compensation expense related to the stock option plans and the Associate Stock Purchase Plan included in operating expenses was $1,439 and $1,444 for the thirteen week periods ended December 1, 2012 and November 26, 2011, respectively. Tax benefits related to these expenses for the thirteen week periods ended December 1, 2012 and November 26, 2011 were $523 and $526, respectively. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	Thirteen Weeks Ended	
	December 1, 2012	November 26, 2011
Expected life (in years)	3.8	4.8
Risk-free interest rate	0.55%	1.01%
Expected volatility	32.86%	35.20%
Expected dividend yield	1.70%	1.70%

A summary of the Company' s stock option activity for the thirteen weeks ended December 1, 2012 is as follows:

	Options	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding on September 1, 2012	1,377	$ 49.79		
Granted	355	69.46		
Exercised	(268)	41.19		
Canceled	–	–		
Outstanding on December 1, 2012	1,464	$ 56.12	4.86	$ 24,203
Exercisable on December 1, 2012	613	$ 47.18	3.51	$ 15,627

The weighted-average grant-date fair values of the stock options granted for the thirteen week periods ended December 1, 2012 and November 26, 2011 were $15.31 and $17.67, respectively. The unrecognized share-based compensation cost related to stock option expense at December 1, 2012 was $11,729 and will be recognized over a weighted average period of 1.9 years. The total intrinsic value of options exercised, which represents the difference between the exercise price and market value of common stock measured at each individual exercise date, during the thirteen week periods ended December 1, 2012 and November 26, 2011 were $8,223 and $6,447, respectively.

MSC INDUSTRIAL DIRECT CO., INC.

Notes to Condensed Consolidated Financial Statements
(Dollar amounts and shares in thousands, except per share data)
(Unaudited)

Note 3. Stock-Based Compensation – (continued)

A summary of the non-vested restricted share award activity under the Company' s 2005 Omnibus Incentive Plan (the "Plan") for the thirteen weeks ended December 1, 2012 is as follows:

	Shares	Weighted-Average Grant-Date Fair Value
Non-vested restricted share awards at September 1, 2012	535	$ 52.37
Granted	121	69.46
Vested	(141)	43.59
Canceled/Forfeited	(3)	53.72
Non-vested restricted share awards at December 1, 2012	512	$ 58.81

Stock-based compensation expense recognized for the restricted share awards was $2,285 and $1,855 for the thirteen week periods ended December 1, 2012 and November 26, 2011, respectively. The unrecognized compensation cost related to restricted share awards granted under the Plan at December 1, 2012 was $20,481 and will be recognized over a weighted average period of 2.5 years.

In October 2010, the Compensation Committee of the Board of Directors of the Company approved the grant of a Restricted Stock Unit Award ("RSU Award") to the Company' s former Chief Executive Officer in connection with an overall approach to succession planning. The RSU Award covers 183 shares and provides for vesting in two installments, contingent on both performance and service conditions of the RSU Award. The performance condition was satisfied based on fiscal year 2011 performance. The value of each restricted stock unit is equal to the fair market value of one share of the Company' s Class A Common Stock on the date of the grant. All restricted stock units that vest, including dividend equivalent units on the vested portion of the grant, will be settled in shares of the Company. For the thirteen week period ended December 1, 2012, dividend equivalents covering 1 share were granted with a weighted average grant date fair value of $70.06. As of December 1, 2012, there were 193 unvested restricted stock units outstanding, with a weighted-average grant date fair value of $54.97 per underlying share.

Stock-based compensation expense recognized for the restricted stock units was $529 for each of the thirteen week periods ended December 1, 2012 and November 26, 2011. The unrecognized compensation cost related to the restricted stock units at December 1, 2012 was $5,497 and is expected to be recognized over a period of 2.9 years.

Note 4. Fair Value

Fair value accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following fair value hierarchy prioritizes the inputs used to measure fair value into three levels, with Level 1 being of the highest priority. The three levels of inputs used to measure fair value are as follows:

Level 1 − Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 − Include other inputs that are directly or indirectly observable in the marketplace.

Level 3 − Unobservable inputs which are supported by little or no market activity.

As of December 1, 2012 and September 1, 2012, the Company measured cash equivalents consisting of money market funds at fair value on a recurring basis for which market prices are readily available (Level 1) and that invest primarily in United States government and government agency securities and municipal bond securities, which aggregated $164,837 and $104,529, respectively.

Note 4. Fair Value – (continued)

The Company’ s financial instruments, other than those presented in the disclosure above, include cash, receivables, accounts payable, and accrued liabilities. Management believes the carrying amount of the aforementioned financial instruments is a reasonable estimate of fair value as of December 1, 2012 and September 1, 2012 due to the short-term maturity of these items. In addition, based on borrowing rates currently available to the Company for borrowings with similar terms, the carrying values of the Company’ s capital lease obligations also approximate fair value.

During the thirteen weeks ended December 1, 2012 and November 26, 2011, the Company had no measurements of non-financial assets or liabilities at fair value on a non-recurring basis subsequent to their initial recognition.

Note 5. Debt and Capital Lease Obligations

Credit Facility

In June 2011, the Company entered into a $200,000 unsecured credit facility (“Credit Facility”). The Company has the right to increase the aggregate amount available to be borrowed under the Credit Facility by an additional $250,000, in $50,000 increments, subject to lending group approval. This Credit Facility will mature on June 8, 2016.

Borrowings under the Credit Facility bear interest, at the Company’ s option either at (i) the LIBOR rate plus the applicable margin for LIBOR loans ranging from 1.00% to 1.25%, based on the Company’ s consolidated leverage ratio; or (ii) the greatest of (a) the Administrative Agent’ s prime rate in effect on such day, (b) the federal funds effective rate in effect on such day, plus 0.50% and (c) the LIBOR rate that would be calculated as of such day in respect of a proposed LIBOR loan with a one-month interest period, plus 1.0%, plus, in the case of each of clauses (a) through (c), an applicable margin ranging from 0% to 0.25%, based on the Company’ s consolidated leverage ratio. The applicable borrowing rate for the Company for any borrowings outstanding under the Credit Facility at December 1, 2012 was 1.2%, which represents LIBOR plus 1.0%.

The Company is required to pay a quarterly undrawn fee ranging from 0.15% to 0.20% per annum on the unutilized portion of the Credit Facility, a quarterly letter of credit usage fee ranging between 1.00% to 1.25% on the amount of the daily average outstanding letters of credit, and a quarterly fronting fee of 0.125% per annum on the undrawn and unexpired amount of each letter of credit.

The Credit Facility contains customary restrictions on the ability of the Company and its subsidiaries to incur debt, make investments, and engage in sales of assets and in fundamental corporate changes, among other restrictions. The Credit Facility also requires that the Company maintain a maximum consolidated leverage ratio of total indebtedness to EBITDA and a minimum consolidated interest coverage ratio of EBITDA to total interest expense during the term of the Credit Facility. Borrowings under the Credit Facility are guaranteed by certain of the Company’ s subsidiaries.

As of December 1, 2012 and September 1, 2012, there were no borrowings outstanding under the Credit Facility other than letters of credit which were immaterial. At those dates, the Company was in compliance with the operating and financial covenants of the Credit Facility.

Capital Lease and Financing Obligations

From time to time, the Company enters into capital leases and financing arrangements to purchase certain equipment. The equipment acquired from these vendors is paid over a specified period of time based on the terms agreed upon. During the thirteen week period ended December 1, 2012, the Company entered into a capital lease for certain information technology equipment totaling $408.

MSC INDUSTRIAL DIRECT CO., INC.

Notes to Condensed Consolidated Financial Statements
(Dollar amounts and shares in thousands, except per share data)
(Unaudited)

Note 5. Debt and Capital Lease Obligations – (continued)

The amount due under all capital leases and financing arrangements at December 1, 2012 was approximately $3,325 of which $1,082 represents current maturities. The net book value of the property and equipment acquired under these capital leases and financing agreements at December 1, 2012 was approximately $4,239.

Note 6. Shareholders' Equity

The Company paid cash dividends of $18,907 for the thirteen weeks ended December 1, 2012. For the thirteen weeks ended November 26, 2011, the Company paid cash dividends of $15,746. On December 6, 2012, the Board of Directors declared an accelerated quarterly cash dividend of $0.30 per share payable on December 27, 2012 to shareholders of record at the close of business on December 17, 2012. This accelerated quarterly dividend was intended to be in lieu of the quarterly dividend which would have been payable in January 2013. This dividend resulted in a payout of $18,948.

The Board of Directors established the MSC Stock Repurchase Plan (the "Plan") which allows the Company to repurchase shares at any time and in any increments it deems appropriate in accordance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended. During the thirteen week period ending December 1, 2012, the Company repurchased 49 shares of its Class A common stock for $3,506, which is reflected at cost as treasury stock in the accompanying condensed consolidated financial statements. These shares were repurchased by the Company to satisfy the Company's associates' tax withholding liability associated with its shares-based compensation program. As of December 1, 2012, the maximum number of shares that may yet be repurchased under the Plan was 4,384 shares.

Note 7. Product Warranties

The Company generally offers a maximum one-year warranty, including parts and labor, for some of its machinery products. The specific terms and conditions of those warranties vary depending upon the product sold. The Company may be able to recoup some of these costs through product warranties it holds with its original equipment manufacturers, which typically range from thirty to ninety days. In general, many of the Company's general merchandise products are covered by third party original equipment manufacturers' warranties. The Company's warranty expense for the thirteen week periods ended December 1, 2012 and November 26, 2011 was minimal.

Note 8. Income Taxes

During the thirteen week period ended December 1, 2012, there were no material changes in unrecognized tax benefits.

Note 9. Legal Proceedings

There are various claims, lawsuits, and pending actions against the Company incidental to the operation of its business. Although the outcome of these matters is currently not determinable, management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on the Company's consolidated financial position, results of operations, or liquidity.

MSC INDUSTRIAL DIRECT CO., INC.

Notes to Condensed Consolidated Financial Statements
(Dollar amounts and shares in thousands, except per share data)
(Unaudited)

Note 10. Recently Issued Accounting Standards

Testing Indefinite-lived Intangible Assets for Impairment

In July 2012, the Financial Accounting Standards Board issued an accounting standard update which allows an entity the option to first assess qualitative factors to determine whether the existence of events and circumstances indicates that it is not more likely than not that the indefinite-lived intangible asset is impaired. An entity no longer will be required to perform the quantitative impairment test of indefinite-lived intangible assets, if after it assesses that the totality of events and circumstances, the entity concludes that it is not more likely than not that the indefinite-lived intangible asset is impaired. The guidance is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. The Company does not anticipate that the adoption of the new guidance will have any impact on its financial position, results of operations or cash flows.

Item 2. Management' s Discussion and Analysis of Financial Condition and Results of Operations

The following is intended to update the information contained in the Company' s Annual Report on Form 10-K for the fiscal year ended September 1, 2012 and presumes that readers have access to, and will have read, "Management' s Discussion and Analysis of Financial Condition and Results of Operations" contained in such Annual Report on Form 10-K.

Overview

MSC Industrial Direct Co., Inc. (together with its subsidiaries, "MSC," the "Company," "we," "our," or "us") is one of the largest direct marketers and distributors of a broad range of metalworking and maintenance, repair, and operations ("MRO") products to customers throughout the United States.

We offer approximately 600,000 stock-keeping units ("SKUs") through our master catalogs; weekly, monthly and quarterly specialty and promotional catalogs; newspapers; brochures; and the Internet, including our websites, MSCDirect.com, MSCMetalworking.com and Use-Enco.com (the "MSC Websites"). We service our customers from five customer fulfillment centers and 106 branch offices. We employ one of the industry' s largest sales forces. Most of our products are carried in stock, and orders for these in-stock products are typically fulfilled the day on which the order is received. We also offer a nationwide cutoff time of 8:00 PM Eastern time on qualifying orders for customers in the contiguous United States, which will be delivered to the customers the next day at no additional cost over standard MSC ground delivery charges.

Net sales increased by 5.8% for the thirteen week period ended December 1, 2012, as compared to the same period in the prior fiscal year. Our increased sales and overall financial results for the thirteen week period ended December 1, 2012, as compared to the same period in fiscal 2012, reflect market share gains and greater demand for our products, as well as the execution of our growth strategies, including acquisitions, to increase revenues. We have invested in our business by increasing our sales force, increasing our investment in vending solutions, making technology investments to improve our electronic procurement tools, and making productivity investments. These investments, combined with our strong balance sheet, extensive product assortment, high in-stock levels, same day shipping, and high levels of execution, have increased our competitive advantage over smaller distributors. However, we experienced a slower sales growth rate for the thirteen week period ended December 1, 2012, as compared to the same period in the prior fiscal year. The manufacturing measurements, such as the Institute for Supply Management ("ISM") index, began to decline during our fiscal fourth quarter of 2012 into a contracting manufacturing sector environment. Although the ISM index was trending above 50.0% during the first two months of our fiscal year 2013, it grew at a slower rate in the first quarter of fiscal 2013 compared to the same period in the prior fiscal year. See the discussion below describing recent fluctuations in economic indicators and the possible impact on our future sales and margins.

Our gross profit margin was 45.9% for the thirteen week period ended December 1, 2012, as compared to 46.2% for the same period in the prior fiscal year. The decrease in gross margin was primarily driven by increases in product costs, changes in customer and product mix and lower gross margins from acquired businesses and our vending program.

Operating expenses increased 4.8% for the thirteen week period ended December 1, 2012, as compared to the same period in the prior fiscal year, as a result of increased sales volume related expenses (primarily payroll and payroll related costs), costs associated with our investment programs, and costs related to the establishment of our new co-located headquarters in Davidson, North Carolina. The increase in payroll and payroll related costs is primarily a result of the additional sales associate headcount. For the thirteen week period ended December 1, 2012 and for the same period in the prior fiscal year, our operating margin remained the same at 17.7%.

We expect operating costs to continue to increase throughout fiscal 2013, as compared to the same periods in fiscal 2012, due to increased sales volumes, compensation expenses, and fringe benefits costs, in addition to costs associated with executing on our vending and other investment programs. We also expect to continue to incur operating costs associated with the establishment of our new co-located headquarters in Davidson, North Carolina. In connection with the new co-location, we have estimated associate relocation costs ranging between $7.0 million to $10.0 million, to be incurred primarily in fiscal years 2013 and 2014.

However, we will continue to work proactively to manage and control discretionary spending as we closely monitor current economic conditions. We will also continue to seek opportunities to help position us for future expansion and any such expansion would increase our operating expenses. We believe that cash flows from operations, available cash and funds available under the revolving credit facility will be adequate to support our operations and growth plans for the next twelve months.

The ISM index, which measures the economic activity of the U.S. manufacturing sector, is important to our planning because it historically has been an indicator of our manufacturing customers' activity. A substantial portion of our revenues came from sales in the manufacturing sector during the thirteen week period ended December 1, 2012, including certain national account customers. An ISM index reading below 50.0% generally indicates that the manufacturing sector is contracting. Conversely, an ISM index reading above 50.0% generally indicates that the manufacturing sector is expanding. The ISM index was 50.7% for the month of December 2012. Details released with the most recent index indicate that economic activity in the manufacturing sector related to new orders, production and employment are growing while inventories are contracting from the previous month. Although the most recent measurement trend indicates that the manufacturing sector is expanding, there continues to remain uncertainty relating to the current economic environment. The ISM index dropped below 50% in June 2012 for the first time since July 2009. Although the ISM index was trending above 50.0% during the first two months of our fiscal year 2013 and again in December 2012, it dropped below 50% in November 2012. This recent trend has contributed to heightened caution about future growth rates of the U.S. manufacturing economy. There are continued concerns relating to macroeconomic factors and the potential impact of the European debt crisis on the U.S. Also, current high unemployment rates and uncertainty around policy direction with the Federal Government, may influence our customers to become more cautious in their purchases of MSC's products. In addition, growth in sales to governmental agencies has generally been constrained by the government spending environment, however we continue to see evidence of share gains, including share gains in state government business. Sales to our government accounts represented approximately 9% of our total sales during the thirteen week period ended December 1, 2012.

We are continuing to take advantage of our strong balance sheet, which enables us to maintain or extend credit to our credit worthy customers and maintain optimal inventory and service levels to meet customer demands during these challenging economic conditions, while many of our smaller competitors in our fragmented industry continue to have difficulties in offering competitive service levels. We also believe that customers will continue to seek cost reductions and shorter cycle times from their suppliers. Our business model focuses on providing overall procurement cost reduction and just-in-time delivery to meet our customers' needs. We will seek to continue to drive cost reduction throughout our business through cost saving strategies and increased leverage from our existing infrastructure, and continue to provide additional procurement cost savings solutions to our customers through technology such as our Customer Managed Inventory ("CMI"), Vendor Managed Inventory ("VMI"), and vending programs.

Results of Operations

Net Sales

	Thirteen Weeks Ended		
	December 1, 2012	November 26, 2011	Percentage Change
	(Dollars in thousands)		
Net Sales	$ 577,491	$ 545,703	5.8%

Net sales increased 5.8%, or approximately $31.8 million for the thirteen week period ended December 1, 2012, as compared to the same period in the prior fiscal year. We estimate that of this $31.8 million increase in net sales, an increase of approximately $15.3 million is volume related, including the impact of the acquisition of ATS Industrial Supply, Inc. in January 2012 of approximately $8.0 million, and the remaining $16.5 million reflects improved price realization, which includes the effects of price increases, discounting, changes in sales and product mix, and other items. Of the above $31.8 million increase in net sales, our government and national account programs ("Large Account Customer") increased by approximately $11.2 million and there was an increase in our remaining business of approximately $20.6 million.

The table below shows the pattern to the change in our fiscal quarterly average daily sales from the same period in the prior fiscal year:

Average Daily Sales Percentage Change − Total Company
(unaudited)

Fiscal Periods	Thirteen Week Period Ended Fiscal Q1
2013 vs. 2012	5.8%
2012 vs. 2011	15.4%

The trends noted above can be further analyzed by customer type. Our manufacturing customers currently represent approximately 76% of our business and our non-manufacturing customers currently represent approximately 24% of our business. The table below shows the pattern to the change in our fiscal quarterly average daily sales by customer type from the same period in the prior fiscal year.

Average Daily Sales Percentage Change − Manufacturing Customers
(unaudited)

Fiscal Periods	Thirteen Week Period Ended Fiscal Q1
2013 vs. 2012	6.2%
2012 vs. 2011	19.8%

Average Daily Sales Percentage Change − Non-Manufacturing Customers
(unaudited)

Fiscal Periods	Thirteen Week Period Ended Fiscal Q1
2013 vs. 2012	4.9%
2012 vs. 2011	4.1%

During the thirteen week period ended December 1, 2012, our revenue growth was primarily a function of both a growing manufacturing economy, which positively impacted our sales to manufacturing customers, and gains in market share, which positively impacted our sales to both manufacturing and non-manufacturing customers. However, as indicated by the recent ISM measurements and our fiscal first quarter sales growth rates, the manufacturing sector is growing at a slower rate. We believe our market share improvements are evidenced by many data points, including measuring sales by end market against peers where data is available, data showing that MSC' s growth is well in excess of market indices and competitors, and extensive supplier feedback on point of sales performance against the rest of their distribution channels.

Exclusive of the UK, average order size increased to approximately $402 for the first quarter of fiscal 2013 as compared to $375 in the first quarter of fiscal 2012. We believe that our ability to transact business with our customers through various electronic portals and directly through the MSC Websites, gives us a competitive advantage over smaller suppliers. Historically, we have reported our business through electronic portals by disclosing sales made through the MSC Websites. During the fourth quarter of fiscal 2012, we adopted a new measurement of sales through all eCommerce platforms. The new measurement, which measures all sales made through our eCommerce platforms, includes sales made through Electronic Data Interchange systems, VMI systems, Extensible Markup Language ordering based systems, vending machine systems, hosted systems and other electronic portals. Sales made through all of our eCommerce platforms were $247.1 million for the first quarter of fiscal 2013, representing 42.8% of consolidated net sales, compared to $219.8 million for the first quarter of fiscal 2012, representing 40.3% of consolidated net sales.

We grew our field sales associate headcount to 1,093 at December 1, 2012, an increase of approximately 3.5% from field sales associates of 1,056 at November 26, 2011, in order to support our strategy to acquire new accounts and expand existing accounts across all customer types. Our field sales associate headcount is expected to be approximately 1,100 associates by the end of the second quarter of fiscal 2013 and we will continue to manage the timing of our sales force expansion based on economic conditions and our selected mix of growth investments.

In the fiscal 2013 MSC catalog, distributed in September 2012, we added approximately 19,500 new SKUs and removed approximately 17,400 SKUs. Approximately 25% of the new SKUs are MSC proprietary brands. SKUs are primarily removed at the end of their lifecycle or when demand can be shifted to other items we believe provide our customers equal or higher value and are consistent with our margin expansion initiatives. In fiscal 2013, we plan to enhance our SKU expansion plans through our eCommerce channels bringing additional value to our key stakeholders. Our suppliers can broaden their product portfolio available through MSC, and shorten time to market for new items outside our annual catalog cycle. Customers can find and buy from an expanded SKU selection and our associates realize improved productivity as fewer transactions are carried out as "special orders". We expect to introduce approximately 70,000 additional SKUs through our eCommerce channels during fiscal 2013.

Gross Profit

	Thirteen Weeks Ended		
	December 1, 2012	November 26, 2011	Percentage Change
	(Dollars in thousands)		
Gross Profit	$ 265,089	$ 252,133	5.1%
Gross Profit Margin	45.9%	46.2%	

Gross profit margin for the thirteen week period ended December 1, 2012 decreased from the comparable period in the prior fiscal year as a result of increased costs of our products, changes in customer and product mix, and the temporary impact of lower gross profit margins from acquired businesses and our vending programs.

Operating Expenses

	Thirteen Weeks Ended		
	December 1, 2012	November 26, 2011	Percentage Change
	(Dollars in thousands)		
Operating Expenses	$ 162,737	$ 155,309	4.8%
Percentage of Net Sales	28.2%	28.5%	

The decrease in operating expenses as a percentage of net sales for the thirteen week period ended December 1, 2012, as compared to the same period in the prior fiscal year, was primarily a result of productivity gains, cost containment initiatives, including the reduction in the annual bonus expense accrual as the fiscal 2013 bonus payout is expected to be at lower levels than fiscal 2012 as a result of Company' s performance relating to the current economic conditions, and the allocation of fixed expenses over a larger revenue base.

The increase in operating expenses in dollars for the thirteen week period ended December 1, 2012, as compared to the same period in the prior fiscal year, was primarily a result of increases in payroll and payroll related costs as well as other costs associated with our investment programs, which included operating costs of approximately $1.3 million associated with the establishment of our new co-located headquarters in Davidson, North Carolina.

Payroll and payroll related costs represented approximately 54.5% of total operating expenses for the thirteen week period ended December 1, 2012, respectively, as compared to approximately 54.4% for the same period in the prior fiscal year. Included in these costs are salary, incentive compensation, and sales commission. These costs increased for the thirteen week period ended December 1, 2012, as compared to the same period in the prior fiscal year as a result of increased sales associate staffing levels as well as other program development and volume-related positions to support our growth initiatives.

Freight costs represented approximately 15.1% of total operating expenses for the thirteen week period ended December 1, 2012, respectively, as compared to 15.9% for the same period in the prior fiscal year.

These costs decreased as a percentage of operating expenses, primarily as a result of increased rebate incentives relating to overall higher expenditures as compared to the same period in the prior fiscal year. In addition, a decrease in the overall number of packages shipped and an increase in direct shipments compared to the same period in the prior fiscal year contributed to the decrease in freight costs.

Income from Operations

	Thirteen Weeks Ended		
	December 1, 2012	November 26, 2011	Percentage Change
	(Dollars in thousands)		
Income from Operations	$ 102,352	$ 96,824	5.7%
Percentage of Net Sales	17.7%	17.7%	

The increase in income from operations for the thirteen week period ended December 1, 2012, as compared to the same period in the prior fiscal year, was primarily attributable to the increases in net sales and gross profit, offset in part by the increases in operating expenses as described above. Income from operations as a percentage of net sales remained the same for the thirteen week period ended December 1, 2012, as compared to the same period in the prior fiscal year.

Provision for Income Taxes

	Thirteen Weeks Ended		
	December 1, 2012	November 26, 2011	Percentage Change
	(Dollars in thousands)		
Provision for Income Taxes	$ 39,140	$ 36,987	5.8 %
Effective Tax Rate	38.25%	38.20%	

The effective tax rate for the thirteen week period ended December 1, 2012 was 38.25% compared to 38.20% for the comparable period in the prior fiscal year.

Net Income

	Thirteen Weeks Ended		
	December 1, 2012	November 26, 2011	Percentage Change
	(Dollars in thousands)		
Net Income	$ 63,187	$ 59,837	5.6 %
Diluted Earnings Per Share	$ 1.00	$ 0.95	5.3 %

The factors which affected net income for the thirteen week period ended December 1, 2012, as compared to the same period in the previous fiscal year, have been discussed above.

Liquidity and Capital Resources

As of December 1, 2012, we held $233.5 million in cash and cash equivalent funds consisting primarily of money market deposit accounts and money market funds that invest primarily in U.S. government and government agency securities and municipal bond securities and contain portfolios with average maturities of less than three months. We maintain a substantial portion of our cash, and invest our cash equivalents, with well-known financial institutions. Historically, our primary capital needs have been to fund our working capital requirements necessitated by our sales growth, the costs of acquisitions, adding new products, facilities expansions, investments in vending solutions, technology investments, and productivity investments. Our primary sources of capital have been cash generated from operations. Borrowings under credit agreements together with cash generated from operations, have been used to fund our working capital needs, the costs of acquisitions, investments in our growth, repurchases of our Class A common stock, and to pay dividends. At December 1, 2012, total borrowings outstanding, representing amounts due under all capital leases and financing arrangements, were approximately $3.3 million, as compared to $3.2 million at September 1, 2012.

In June 2011, the Company entered into a $200.0 million unsecured credit facility (“Credit Facility”). The Company has the right to increase the aggregate amount available to be borrowed under the Credit

Facility by an additional $250.0 million, in $50.0 million increments, subject to lending group approval. This Credit Facility will mature on June 8, 2016.

Borrowings under the New Credit Facility bear interest, at the Company’ s option either at (i) the LIBOR rate plus the applicable margin for LIBOR loans ranging from 1.00% to 1.25%, based on the Company’ s consolidated leverage ratio; or (ii) the greatest of (a) the Administrative Agent’ s prime rate in effect on such day, (b) the federal funds effective rate in effect on such day, plus 0.50% and (c) the LIBOR rate that would be calculated as of such day in respect of a proposed LIBOR loan with a one-month interest period, plus 1.0%, plus, in the case of each of clauses (a) through (c), an applicable margin ranging from 0% to 0.25%, based on the Company’ s consolidated leverage ratio. There were no borrowings outstanding under the Credit Facility other than letters of credit which were immaterial as of December 1, 2012 and September 1, 2012.

We are required to pay a quarterly undrawn fee ranging from 0.15% to 0.20% per annum on the unutilized portion of the Credit Facility, a quarterly letter of credit usage fee ranging between 1.00% to 1.25% on the amount of the daily average outstanding letters of credit, and a quarterly fronting fee of 0.125% per annum on the undrawn and unexpired amount of each letter of credit.

The Credit Facility contains customary restrictions on the ability of the Company and its subsidiaries to incur debt, make investments, and engage in fundamental corporate changes, and sales of assets, among other restrictions. The Credit Facility also requires that the Company maintain a maximum consolidated leverage ratio of total indebtedness to EBITDA and a minimum consolidated interest coverage ratio of EBITDA to total interest expense during the term of the Credit Facility. Borrowings under the Credit Facility are guaranteed by certain of the Company’ s subsidiaries. As of December 1, 2012, the Company was in compliance with the operating and financial covenants of the Credit Facility.

Net cash provided by operating activities for the thirteen week periods ended December 1, 2012 and November 26, 2011 was $89.4 million and $46.2 million, respectively. There are various increases and decreases contributing to this change. The decrease in the change in accounts receivable and inventories and the increase in the change in accounts payable and accrued liabilities contributed to the increase in net cash provided by operating activities. In addition, the increase in net income and total non-cash items, primarily consisting of depreciation and amortization also contributed to the increase in net cash provided by operating activities.

Working capital was $801.6 million at December 1, 2012, compared to $749.6 million at September 1, 2012. At these dates, the ratio of current assets to current liabilities was 5.6 and 5.4, respectively. The increase in working capital and the current ratio is primarily related to the generation of positive cash flow.

Net cash used in investing activities for the thirteen week periods ended December 1, 2012 and November 26, 2011 was $17.0 million and $9.5 million, respectively. The increase of approximately $7.5 million in net cash used in investing activities resulted from an increase in the expenditures for property, plant, and equipment. The increase in the purchase of property, plant, and equipment for the thirteen week period ended December 1, 2012 as compared to the same period in the prior fiscal year, was primarily due to increased investments in our vending solutions as well as investments in capital expenditures to construct and outfit the facility in Davidson, NC.

Net cash used in financing activities for the thirteen week periods ended December 1, 2012 and November 26, 2011 was $7.4 million and $4.3 million, respectively. The major components contributing to the use of cash for the thirteen week period ended December 1, 2012 were the cash dividends paid of $18.9 million and the repurchase of shares of Class A common stock of $3.5 million, partially offset by the net proceeds received from the exercise of the Company’ s Class A common stock options in the amount of $11.0 million. The major components contributing to the use of cash for the thirteen week period ended November 26, 2011 were the cash dividends paid of $15.7 million and the repurchase of shares of Class A common stock of $3.3 million, partially offset by the net proceeds received from the exercise of the Company’ s Class A common stock options in the amount of $10.6 million. Net cash used in financing activities increased for the thirteen week period ended December 1, 2012 compared to the same period in the prior fiscal year primarily from the increase in the dividend per share amount to $0.30 per share in October 2012 from $0.25 per share in the same period in the prior fiscal year.

We paid cash dividends of $18.9 million during the thirteen week period ended December 1, 2012 to shareholders of record, which consisted of the regular quarterly cash dividends of $0.30 per share. On December 6, 2012, the Board of Directors declared a dividend of $0.30 per share payable on December 27, 2012 to shareholders of record at the close of business on December 17, 2012. This accelerated quarterly dividend was intended to be in lieu of the quarterly dividend which would have been payable in January 2013. This dividend resulted in a payout of $18.9 million.

As a distributor, our use of capital is largely for working capital to support our revenue base. Capital commitments for property, plant and equipment are limited to information technology assets, warehouse equipment, office furniture and fixtures, building and leasehold improvements, construction and expansion, and vending machines. Therefore, the amount of cash consumed or generated by operations, other than from net earnings, will primarily be due to changes in working capital as a result of the rate of increases or decreases in sales. In periods when sales are increasing, as in the thirteen week period ended December 1, 2012, the expanded working capital needs will generally be funded primarily by cash from operations. In addition to the expanded working capital needs, in the thirteen week period ended December 1, 2012, we returned $18.9 million to shareholders in the form of cash dividends.

In June 2012, we announced plans to co-locate our corporate headquarters in Davidson, North Carolina, which is located in the Charlotte area, in addition to our current location in Melville, New York in order to support our growth strategy. In August 2012, we purchased a 14-acre open space in Davidson, and broke ground on a new 180,000 square foot Customer Service Center facility. We anticipate completing construction in calendar 2013. We expect to invest approximately $37.5 million in capital expenditures to construct and outfit the facility in Davidson. We spent approximately $4.2 million in fiscal 2012 and $3.2 million in the first quarter of fiscal 2013, with the majority of the remaining balance expected to be spent over the remaining fiscal year 2013. Additionally, as a result of associate relocations, we have estimated relocation costs ranging between $7.0 million to $10.0 million, to be incurred primarily in fiscal years 2013 and 2014.

In July 2012, we announced plans to build our fifth U.S.-based customer fulfillment center in Columbus, Ohio. We expect to invest approximately $55 million in capital expenditures to construct and outfit the facility in Columbus, substantially all of which is expected to be spent over the course of fiscal years 2013 and 2014. We spent approximately $1.1 million in the first quarter of fiscal 2013. We expect to complete construction and begin operation in late summer or early fall of 2014.

We believe, based on our current business plan, that our existing cash, cash equivalents, funds available under our revolving credit facility, and cash flow from operations will be sufficient to fund our planned capital expenditures and operating cash requirements for at least the next 12 months.

Related Party Transactions

We are affiliated with one real estate entity (the "Affiliate"), which leased property to us as of December 1, 2012. The Affiliate is owned and controlled by our principal shareholders, Mitchell Jacobson, our Chairman, and his sister Marjorie Gershwind Fiverson, and by their family related trusts. In addition, Erik Gershwind, our President and Chief Executive Officer, is an officer and director of the real estate entity. We paid rent under operating leases to the Affiliate for the first thirteen weeks of fiscal 2013 of approximately $0.6 million, in connection with our occupancy of our Atlanta Customer Fulfillment Center. In the opinion of our management, based on its market research, the lease with the Affiliate is on terms which approximated fair market value when the lease and its amendments were executed.

Contractual Obligations

Capital Lease and Financing Arrangements

From time to time, we enter into capital leases and financing arrangements to purchase certain equipment. We currently have various capital lease and financing obligations for certain information technology equipment in the amount of $5.2 million, of which $3.3 million remains outstanding at December 1, 2012. Refer to Note 5 to our condensed consolidated financial statements.

Operating Leases

As of December 1, 2012, certain of our operations are conducted on leased premises, of which one location is leased from an Affiliate, as noted above. The lease (which requires us to provide for the payment of real estate taxes, insurance and other operating costs) is through 2030. In addition, we are obligated under certain equipment and automobile operating leases, which expire on varying dates through 2017.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements.

Critical Accounting Estimates

On an ongoing basis, we evaluate our critical accounting policies and estimates, including those related to revenue recognition, inventory valuation, allowance for doubtful accounts, warranty and self-insured group health plan reserves, contingencies and litigation, income taxes, accounting for goodwill and long-lived assets, stock-based compensation, and business combinations. We make estimates, judgments and assumptions in determining the amounts reported in the condensed consolidated financial statements and accompanying notes. Estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. The estimates are used to form the basis for making judgments about the carrying values of assets and liabilities and the amount of revenues and expenses reported that are not readily apparent from other sources. Actual results may differ from these estimates.

There have been no material changes in the Company' s Critical Accounting Policies, as disclosed in its Annual Report on Form 10-K for the fiscal year ended September 1, 2012.

Recently Issued Accounting Standards

See Note 10 to the accompanying financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to our exposures to market risks since September 1, 2012. Please refer to the 2012 Annual Report on Form 10-K for the fiscal year ended September 1, 2012 for a complete discussion of our exposures to market risks.

Item 4. Controls and Procedures

Our senior management is responsible for establishing and maintaining a system of disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Exchange Act) designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC' s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer' s management, including its principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

In accordance with Exchange Act Rules 13a-15 and 15d-15, we carried out an evaluation, with the participation of the Chief Executive Officer and Chief Financial Officer, as well as other key members of our management, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective, as of the end of the period covered by this report, to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is (i) accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer as appropriate to allow timely decisions regarding required disclosure and (ii) recorded, processed, summarized and reported within the time periods specified in the SEC' s rules and forms.

No change occurred in our internal controls over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) promulgated under the Exchange Act) during the fiscal quarter ended December 1, 2012 that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

There are various claims, lawsuits, and pending actions against the Company incidental to the operation of its business. Although the outcome of these matters is currently not determinable, management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on the Company' s consolidated financial position, results of operations, or liquidity.

Item 1A. Risk Factors

In addition to the other information set forth in this Report, consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended September 1, 2012, which could materially affect our business, financial condition or future results. The risks described in the aforementioned report are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be not material also may materially adversely affect our business, financial condition and/or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table sets forth repurchases by the Company of its outstanding shares of Class A common stock during the thirteen week period ended December 1, 2012:

Period	Total Number of Shares Purchased(1)	Average Price Paid Per Share(2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(3)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
9/2/12 - 10/1/12	–	$ –	–	4,383,970
10/2/12 - 11/1/12	48,722	71.95	–	4,383,970
11/2/12 - 12/1/12	–	–	–	4,383,970
Total	48,722	$ 71.95	–	

(1) During the thirteen weeks ended December 1, 2012, 48,722 shares of our common stock were withheld by the Company as payment to satisfy our associates' tax withholding liability associated with our share-based compensation program and are included in the total number of shares purchased.

(2) Activity is reported on a trade date basis and includes commission paid.

(3) During fiscal year 1999, the Board of Directors established the MSC Stock Repurchase Plan, which we refer to as the "Plan". The total number of shares of our Class A common stock initially authorized for future repurchase was set at 5,000,000 shares. On January 8, 2008, the Board of Directors reaffirmed and replenished the Plan so that the total number of shares of Class A common stock authorized for future repurchase was increased to 7,000,000 shares. On October 21, 2011, the Board of Directors reaffirmed and replenished the Plan so that the total number of shares of Class A common stock authorized for future repurchase was increased to 5,000,000 shares. As of December 1, 2012, the maximum number of shares that may yet be repurchased under the Plan was 4,383,970 shares. There is no expiration date for this program.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

None.

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Item 6. Exhibits

Exhibits:

10.01	Amendment No. 2 to Change in Control Agreement by and between the Registrant and Steve Armstrong, dated November 29, 2012.*
10.02	MSC Industrial Direct Co., Inc. 2005 Omnibus Incentive Plan, as amended through December 20, 2012.*
10.03	MSC Industrial Direct Co., Inc. 2001 Stock Option Plan, as amended through December 20, 2012.*
10.04	MSC Industrial Direct Co., Inc. Associate Stock Purchase Plan, as amended through December 20, 2012.*
31.1	Chief Executive Officer' s Certificate, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Chief Financial Officer' s Certificate, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*

* Filed herewith.

** Furnished herewith.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MSC Industrial Direct Co., Inc.
(Registrant)

	By: /s/ ERIK GERSHWIND
Dated: January 10, 2013	*President and Chief Executive Officer* *(Principal Executive Officer)*
	By: /s/ JEFFREY KACZKA
Dated: January 10, 2013	*Executive Vice President and* *Chief Financial Officer* *(Principal Financial Officer)*

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EXHIBIT INDEX

Exhibit No.	Exhibit
10.01	Amendment No. 2 to Change in Control Agreement by and between the Registrant and Steve Armstrong, dated November 29, 2012.*
10.02	MSC Industrial Direct Co., Inc. 2005 Omnibus Incentive Plan, as amended through December 20, 2012.*
10.03	MSC Industrial Direct Co., Inc. 2001 Stock Option Plan, as amended through December 20, 2012.*
10.04	MSC Industrial Direct Co., Inc. Associate Stock Purchase Plan, as amended through December 20, 2012.*
31.1	Chief Executive Officer' s Certificate, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Chief Financial Officer' s Certificate, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*

* Filed herewith.

** Furnished herewith.

Exhibit 10.01

AMENDMENT No. 2
TO
CHANGE IN CONTROL
AGREEMENT

THIS AMENDMENT No. 2 to CHANGE IN CONTROL AGREEMENT (this "Amendment") is made and entered into as of this 29th day of November, 2012 by and between MSC INDUSTRIAL DIRECT CO., INC., a New York corporation (the "Corporation"), and Steve Armstrong (the "Associate"). Capitalized terms not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement (as hereinafter defined).

WITNESSETH:

WHEREAS, the Corporation and the Associate are parties to a Change in Control Agreement, dated as of October 28, 2008, as amended by Amendment No. 1 to Change in Control Agreement, dated December 22, 2011 (as amended, the "Agreement") and wish to further amend the Agreement as provided in this Amendment.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Article FIRST E. of the Agreement is deleted in its entirety and replaced with the following:

E. The “Special Severance Payment” shall mean: (X) payment equal to the sum of (i) the product of two (2.0) and the annual base salary in effect immediately prior to a change in the Associate’s Circumstances of Employment or the termination other than for Cause of the Associate’s employment by the Corporation, as the case may be, and (ii) the product of two (2.0) and the targeted bonus for the Associate in effect immediately prior to a change in Associate Circumstances of Employment or termination other than for Cause, as the case may be, such payment to be made in installments in accordance with the Corporation’s regular payroll policies (but not less frequently than biweekly), and the first installment being made on the fifth (5^{th}) business day following the six-month anniversary of Associate’s termination of employment, and then the balance being paid in equal installments over the remainder of the two-year period contemplated by the Associate Confidentiality, Non-Solicitation and Non-Competition Agreement referred to in paragraph F of this Article FIRST; (Y) payment of a pro rata portion of the Associate’s targeted bonus in effect immediately prior to the date such change in Associate’s Circumstances of Employment or termination of employment other than for Cause occurs (the “In Year Bonus”), calculated as the product of (a) the In Year Bonus multiplied by (b) a fraction the numerator of which is the number of whole months elapsed in the fiscal year up to the date such change in Associate’s Circumstances of Employment or termination occurs, and the denominator of which is twelve (12), such payment to be made on the fifth (5^{th}) business day following the six (6) months’ anniversary of termination of employment; and (Z) for the two (2) year period or the remaining term of the automobile lease at issue, whichever is less following Associate’s date of termination of employment (other than termination for Cause), the Corporation shall, at Associate’s option, (a) pay Associate a monthly automobile allowance in amounts equal to those in effect immediately prior to such termination, if applicable, or (b) continue to make the monthly lease payments under the automobile lease in effect for the benefit of Associate immediately prior to such termination, provided that if any payment (or portion thereof) otherwise due under this clause (Z) during the first six (6) months following the Associate’s termination of employment is not exempt from the application of section 409A of the Code under applicable Treasury regulations, the amount subject to section 409A that would otherwise be paid during such first six months shall be held (without adjustment for earnings and losses) and paid on the fifth (5^{th}) business day following the six-month anniversary of such termination date. For the avoidance of doubt, it is understood that "targeted bonus" for purposes of this Agreement shall mean the target annual incentive cash bonus then in effect and approved under the Corporation's annual incentive bonus plan without regard to awards or targets approved in order to comply with Section 162(m) of the Code, provided further that if a "targeted bonus" is not in effect immediately prior to the date of such change in Associate's Circumstances of Employment or termination of employment other than for Cause, the "targeted bonus" shall be the target annual incentive cash bonus most recently in effect.

2. Except as expressly provided in this Amendment, the Agreement shall remain in full force and effect.

3. This Amendment shall be binding upon and inure to the benefit of the parties hereto, and their respective heirs, administrators, executors, personal representatives, successors and assigns.

4. This Amendment shall be governed by and construed and enforced in accordance with the laws of the State of New York.

[signature page to follow]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

MSC INDUSTRIAL DIRECT CO., INC.

By: /s/ Erik Gershwind
Name: Erik Gershwind
Title: President & COO

/s/ Steve Armstrong
Steve Armstrong

Exhibit 10.02

MSC INDUSTRIAL DIRECT CO., INC.

2005 OMNIBUS INCENTIVE PLAN

As adopted January 3, 2006 and amended through December 20, 2012

1. *ESTABLISHMENT AND PURPOSE.*

The MSC Industrial Direct Co., Inc. 2005 Omnibus Incentive Plan (the "*Plan*") is established by MSC Industrial Direct Co., Inc., a New York corporation (the " *Company* "), to attract and retain persons eligible to participate in the Plan; motivate Participants to achieve short and long-term Company goals; and further align Participants' interests with those of the Company's other stockholders. The Plan is adopted as of November 23, 2005, subject to approval by the Company's stockholders within 12 months after such adoption date. No Awards that are settled in Stock shall be granted hereunder prior to the approval of the Plan by the Company's stockholders. Unless the Plan is discontinued earlier by the Board as provided herein, no Award shall be granted hereunder on or after the date 10 years after the Effective Date. The Plan shall terminate on January 3, 2016 or such earlier time as the Board may determine.

Certain terms used herein are defined as set forth in Section 10.

2. *ADMINISTRATION; ELIGIBILITY.*

The Plan shall be administered by the Compensation Committee, or such other Committee, appointed by the Board consisting of three (3) or more members of the Board all of whom are intended to be "non-employee directors" within the meaning of Section 16 of the Securities Exchange Act of 1934 and the regulations promulgated thereunder and "outside directors" within the contemplation of Section 162(m) of the Code; *provided, however*, that, if at any time no Compensation Committee or other Committee has been appointed or is eligible to act in the circumstances, the Plan shall be administered by the Board. The Plan may be administered by different Committees with respect to different groups of Eligible Individuals. As used herein, the term "*Administrator*" means the Board, the Compensation Committee or any of the Board's other Committees as shall be administering the Plan. A majority of the members of the Compensation Committee, such other Committee or the Board, as applicable, shall constitute a quorum, and all determinations shall be made by a majority of the members thereof.

The Administrator shall have plenary authority to grant Awards pursuant to the terms of the Plan to Eligible Individuals. Participation shall be limited to such persons as are selected by the Administrator. Subject to Section 409A of the Code, awards may be granted as alternatives to, in exchange or substitution for, or replacement of, awards outstanding under the Plan or any other plan or arrangement of the Company or a Subsidiary (including a plan or arrangement of a business or entity, all or a portion of which is acquired by the Company or a Subsidiary). The provisions of Awards need not be the same with respect to each Participant.

Among other things, the Administrator shall have the authority, subject to the terms of the Plan:

(a) to select the Eligible Individuals to whom Awards may from time to time be granted;

(b) to determine whether and to what extent Stock Options, Stock Appreciation Rights, Stock Awards, Cash Awards or any combination thereof are to be granted hereunder;

(c) to determine the number of shares of Stock to be covered by each Award granted hereunder that is not a Cash Award;

(d) to approve forms of agreement for use under the Plan;

(e) to determine the terms and conditions, not inconsistent with the terms of this Plan, of any Award granted hereunder (including, but not limited to, the option price, any vesting restriction or limitation, any performance condition, any vesting acceleration or waiver of forfeiture, and any right of repurchase, right of first refusal or other transfer restriction regarding any Award and the shares of Stock relating thereto, based on such factors or criteria as the Administrator shall determine);

(f) subject to Section 9(a), to modify, amend or adjust the terms and conditions of any Award, at any time or from time to time, including, but not limited to, with respect to (i) performance goals and targets applicable to performance based Awards pursuant to the terms of the Plan and (ii) extension of the post-termination exercisability period of Stock Options;

(g) to determine to what extent and under what circumstances Stock and other amounts payable with respect to an Award shall be deferred;

(h) to determine the Fair Market Value; and

(i) to determine the type and amount of consideration to be received by the Company for any Stock Award issued under Section 6.

The Administrator shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall, from time to time, deem advisable, to interpret the terms and provisions of the Plan and any Award issued under the Plan (and any agreement relating thereto) and to otherwise supervise the administration of the Plan.

Except to the extent prohibited by applicable law, the Administrator may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any portion of its responsibilities and powers to any other person or persons selected by it. Any such allocation or delegation may be revoked by the Administrator at any time. The Administrator may authorize any one or more of their members or any officer of the Company to execute and deliver documents on behalf of the Administrator.

Any determination made by the Administrator or pursuant to delegated authority pursuant to the provisions of the Plan with respect to any Award shall be made in the sole discretion of the Administrator or such delegate at the time of the grant of the Award or, unless in contravention of any express term of the Plan, at any time thereafter. All decisions made by the Administrator or any appropriately delegated officer pursuant to the provisions of the Plan shall be final and binding on all persons, including the Company and Participants.

No member of the Administrator, and no officer of the Company, shall be liable for any action taken or omitted to be taken by such individual or by any other member of the Administrator or officer of the Company in connection with the performance of duties under this Plan, except for such individual's own willful misconduct or as expressly provided by law.

3. *STOCK SUBJECT TO PLAN.*

Subject to adjustment as provided in this Section 3, the aggregate number of shares of Stock which may be delivered under the Plan shall not exceed 6,200,000 shares.

To the extent any shares of Stock covered by an Award are not delivered to a Participant or beneficiary thereof because the Award expires, is forfeited, lapses without exercise, is canceled or otherwise terminated (including as a result of shares not being earned), or the shares of Stock are not delivered because the Award is settled in cash or, in the cases of Stock Awards, are used to satisfy the applicable tax withholding obligation, such shares shall not be deemed to have been delivered for purposes of determining the maximum number of shares of Stock available for delivery under the Plan with respect to, and shall be available for, future grants of Awards. Notwithstanding anything to the contrary contained herein, the following shares shall not be added to the shares of Stock authorized for grant under this Section 3 and will not be available for future grants of Awards: (i) shares tendered by a Participant or withheld by the Company in payment of the exercise price of a Stock Option; (ii) shares tendered by a Participant or withheld by the Company to satisfy any tax withholding obligation with respect to a Stock Option; (iii) shares subject to a Stock Appreciation Right that are not issued in connection with the stock settlement of the Stock Appreciation Right on exercise thereof; and (iv) shares purchased on the open market with the cash proceeds from the exercise of Stock Options.

Subject to adjustment as provided in this Section 3, the maximum number of shares that may be covered by Stock Options, Stock Appreciation Rights and Stock Awards, in the aggregate, granted to any one Participant during any calendar year shall be 400,000 shares.

In the event of any Company stock dividend, stock split, combination or exchange of shares, recapitalization or other change in the capital structure of the Company, corporate separation or division of the Company (including, but not limited to, a split-up, spin-off, split-off or other distribution to Company stockholders, other than a normal or special cash dividend), sale by the Company of all or a substantial portion of its assets (measured on either a stand-alone or consolidated basis), reorganization, rights offering, partial or complete liquidation, merger or consolidation in which the Company is the surviving corporation, or any other corporate transaction or other event involving the Company and having an effect similar to any of the foregoing, the Administrator shall make such substitution or adjustments in the (a) number and kind of shares that may be delivered under the Plan, (b) additional maximums imposed in the immediately preceding paragraph, (c) number and kind of shares or other property, including cash, subject to outstanding Awards, (d) exercise price of outstanding Stock Options and Stock Appreciation Rights and (e) other characteristics or terms of the Awards, as necessary or appropriate to equitably reflect such corporate transaction or other event and to prevent dilution or enlargement of Participants' rights under the Plan; *provided, however*, that the number of shares subject to any Award shall always be a whole number; and *provided, further,* that, with respect to Incentive Stock Options, such adjustment shall be made in accordance with Section 424 of the Code.

In the event of the dissolution or liquidation of the Company, or a merger, reorganization or consolidation in which the Company is not the surviving corporation, then, except as otherwise provided herein and/or in the discretion of the Administrator, each Stock Option, to the extent not theretofore exercised, shall terminate forthwith.

Notwithstanding the foregoing, no adjustment shall be made pursuant to this Section 3 to the extent that such adjustment would violate Section 409A of the Code.

4. *STOCK OPTIONS.*

Stock Options may be granted alone or in addition to other Awards granted under the Plan and may be of two types: Incentive Stock Options and Non-Qualified Stock Options. Any Stock Option granted under the Plan shall be in such form as the Administrator may from time to time approve.

The Administrator shall have the authority to grant any Eligible Individual Incentive Stock Options, Non-Qualified Stock Options or both types of Stock Options. Incentive Stock Options may be granted only to employees of the Company and its subsidiaries (within the meaning of Section 424(f) of the Code). To the extent that any Stock Option is not designated as an Incentive Stock Option or, even if so designated, does not qualify as an Incentive Stock Option, it shall constitute a Non-Qualified Stock Option. Incentive Stock Options may be granted only within 10 years from the date the Plan is adopted, or the date the Plan is approved by the Company's stockholders, whichever is earlier.

Stock Options shall be evidenced by option agreements, each in a form approved by the Administrator. An option agreement shall indicate on its face whether it is intended to be an agreement for an Incentive Stock Option or a Non-Qualified Stock Option. The grant of a Stock Option shall occur as of the date the Administrator determines, subject to FASB Statement 123(R)(now codified as FASB Accounting Standards Codification (ASC) Topic 718 – Stock Compensation) and guidance thereunder.

Anything in the Plan to the contrary notwithstanding, no term of the Plan relating to Incentive Stock Options shall be interpreted, amended or altered, nor shall any discretion or authority granted under the Plan be exercised, so as to disqualify the Plan under Section 422 of the Code or, without the consent of the Optionee affected, to disqualify any Incentive Stock Option under Section 422 of the Code.

To the extent that the aggregate Fair Market Value of Stock with respect to which Incentive Stock Options are exercisable for the first time by a Participant during any calendar year (under all plans of the Company and its subsidiaries within the meaning of Section 424(f) of the Code) exceeds $100,000, such Stock Options shall be treated as Non-Qualified Stock Options.

Stock Options granted under this Section 4 shall be subject to the following terms and conditions and shall contain such additional terms and conditions as the Administrator shall deem desirable:

(a) *Exercise Price*. The exercise price per share of Stock purchasable under a Stock Option shall be determined by the Administrator at the time of grant; *provided, however*, that the exercise price per share shall be not less than the Fair Market Value per share on the date the Stock Option is granted, or in the case of an Incentive Stock Option granted to an individual who is a Ten Percent Holder, not less than 110% of such Fair Market Value per share on the date the Stock Option is granted.

(b) *Option Term*. The term of each Stock Option shall be fixed by the Administrator at the time of grant, but no Incentive Stock Option shall be exercisable more than 10 years (or five years in the case of an individual who is a Ten Percent Holder) after the date the Incentive Stock Option is granted.

(c) *Vesting.* Except as otherwise provided in the applicable option agreement, an Optionee may not exercise a Stock Option during the period commencing on the date of the grant of such Stock Option to him or her and ending on the day immediately preceding the first anniversary of such date. Except as otherwise provided in the applicable option agreement, an Optionee may (i) during the period commencing on the first anniversary of the date of the grant of a Stock Option to him or her and ending on the day immediately preceding the second anniversary of such date, exercise such Stock Option with respect to one-fourth of the shares granted thereby; (ii) during the period commencing on the second anniversary of the date of such grant and ending on the day immediately preceding the third anniversary of the date of such grant, exercise such Stock Option with respect to one-half of the shares granted thereby; (iii) during the period commencing on the third anniversary of the date of such grant and ending on the day immediately preceding the fourth anniversary of such date, exercise such Stock Option with respect to three-fourths of the shares granted thereby and (iv) during the period commencing on the fourth anniversary of the date of such grant and ending at the time the Stock Option expires pursuant to the terms of the Plan, exercise such Stock Option with respect to all of the shares granted thereby. Notwithstanding the foregoing, no Stock Option shall be fully vested prior to the third anniversary of the date of grant of such Stock Option, provided that Stock Options granted to non-employee directors of the Company may be fully vested by the second anniversary of the date of grant of such Stock Option.

(d) *Exercisability*. Except as otherwise provided herein, Stock Options shall be subject to such terms and conditions, performance requirements, restrictions, forfeiture provisions, contingencies and limitations, if any, as shall be determined by the Administrator. If any Stock Option is exercisable only in installments, the Administrator may at any time waive such installment exercise provisions, in whole or in part, based on such factors as the Administrator may determine. In addition, the Administrator may at any time, in whole or in part, accelerate the exercisability of any Stock Option. Notwithstanding the foregoing, no Stock Option shall be fully exercisable prior to the third anniversary of the date of grant of such Stock Option, provided that Stock Options granted to non-employee Directors of the Company may be fully exercisable by the second anniversary of the date of grant of such Stock Option.

(e) *Method of Exercise*. Stock Options may be exercised, in whole or in part, by giving written notice of exercise to the Company specifying the number of shares of Stock subject to the Stock Option to be purchased.

The option price of any Stock Option shall be paid in full in cash (by certified or bank check or such other instrument as the Company may accept) or, unless otherwise provided in the applicable option agreement, by one or more of the following: (i) in the form of mature shares of unrestricted Stock already owned by the Optionee, based on the Fair Market Value of the Stock on the date the Stock Option is exercised; (ii) by certifying ownership of shares of mature Stock owned by the Optionee to the satisfaction of the Administrator for later delivery to the Company as specified by the Company; (iii) unless otherwise prohibited by law for either the Company or the Optionee, by irrevocably authorizing a third party to sell shares of Stock (or a sufficient portion of the shares) acquired upon exercise of the Stock Option and remit to the Company a sufficient portion of the sale proceeds to pay the entire exercise price and any tax withholding resulting from such exercise; or (iv) by any combination of cash and/or any one or more of the methods specified in clauses (i), (ii) and (iii). Notwithstanding the foregoing, a form of payment shall not be permitted to the extent it would cause the Company to recognize a compensation expense (or additional compensation expense) with respect to the Stock Option for financial reporting purposes.

If payment of the option exercise price of a Non-Qualified Stock Option is made in whole or in part in the form of Restricted Stock, the number of shares of Stock to be received upon such exercise equal to the number of shares of Restricted Stock used for payment of the option exercise price shall be subject to the same forfeiture restrictions to which such Restricted Stock was subject, unless otherwise determined by the Administrator.

No shares of Stock shall be issued upon exercise of a Stock Option until full payment therefor has been made. Upon exercise of a Stock Option (or a portion thereof), the Company shall have a reasonable time to issue the Stock for which the Stock Option has been exercised, and the Optionee shall not be treated as a stockholder for any purposes whatsoever prior to such issuance. No adjustment shall be made for cash dividends or other rights for which the record date is prior to the date such Stock is recorded as issued and transferred in the Company's official stockholder records, except as otherwise provided herein or in the applicable option agreement.

(f) *Transferability of Stock Options*. Except as otherwise provided in the applicable option agreement, a Non-Qualified Stock Option (i) shall be transferable by the Optionee to a Family Member of the Optionee, *provided that* (A) any such transfer shall be by gift with no consideration and (B) no subsequent transfer of such Stock Option shall be permitted other than by will or the laws of descent and distribution, and (ii) shall not otherwise be transferable except by will or the laws of descent and distribution. An Incentive Stock Option shall not be transferable except by will or the laws of descent and distribution. A Stock Option shall be exercisable, during the Optionee's lifetime, only by the Optionee or by the guardian or legal representative of the Optionee, it being understood that the terms "holder" and " *Optionee* " include the guardian and legal representative of the Optionee named in the applicable option agreement and any person to whom the Stock Option is transferred (X) pursuant to the first sentence of this Section 4(f) or pursuant to the applicable option agreement or (Y) by will or the laws of descent and distribution. Notwithstanding the foregoing, references herein to the termination of an Optionee's employment or provision of services shall mean the termination of employment or provision of services of the person to whom the Stock Option was originally granted.

(g) *Termination by Death*. If an Optionee's employment or provision of services terminates by reason of death, any Stock Option held by such Optionee may thereafter be exercised for a period of one year from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is shorter.

(h) *Termination by Reason of Disability*. If an Optionee's employment or provision of services terminates by reason of Disability, any Stock Option held by such Optionee may thereafter be exercised by the Optionee for a period of one year from the date of such termination of employment or provision of services or until the expiration of the stated term of such Stock Option, whichever period is shorter.

(i) *Termination by Reason of Retirement*. If an Optionee's employment or provision of services terminates by reason of Retirement, any Stock Option held by such Optionee may thereafter be exercised by the Optionee for a period of one year from the date of such termination of employment or provision of services or until the expiration of the stated term of such Stock Option, whichever period is shorter.

(j) *Involuntary Termination Without Cause*. If an Optionee's employment or provision of services terminates involuntarily without Cause, and for reasons other than death, Disability or Retirement, any Stock Option held by such Optionee may thereafter be exercised, to the extent it was exercisable at the time of termination, for a period of 30 days from the date of such termination of employment or provision of services or until the expiration of the stated term of such Stock Option, whichever period is shorter, and any Stock Option that is unvested or unexercisable at the date of termination shall thereupon terminate.

(k) *Involuntary Termination for Cause.* If an Optionee's employment or provision of services terminates involuntarily for Cause vesting of all outstanding Stock Options held by such Optionee shall thereupon terminate and all Stock Options held by such Optionee shall thereupon terminate.

(l) *Other Termination.* If an Optionee's employment or provision of services is terminated by the Optionee for any reason other than death, Disability or Retirement, any Stock Option held by such Optionee may thereafter be exercised, to the extent it was exercisable at the time of termination, for a period of 30 days from the date of such termination of employment or provision of services or until the expiration of the stated term of such Stock Option, whichever period is shorter, and any Stock Option that is unvested or unexercisable at the date of termination shall thereupon terminate.

(m) *Exception to Termination*. If the Company or an Affiliate ceases as a result of a transfer of such Optionee from the Company to an Affiliate, or from an Affiliate to the Company, such transfer shall not be a termination of employment or provision of services for purposes of this Plan, unless expressly determined otherwise by the Administrator. A termination of employment or provision of services shall occur for an Optionee who is employed by, or provides services to, an Affiliate of the Company if the Affiliate shall cease to be an Affiliate and the Optionee shall not immediately thereafter be employed by, or provide services to, the Company or an Affiliate.

(n) Notwithstanding the foregoing, to the extent permitted under Section 409A of the Code, the exercise period following a termination described in subsection (g), (h), (i), (j) or (l) above shall be tolled for any applicable window/blackout period restrictions under the Company's insider trading policy.

5. *STOCK APPRECIATION RIGHTS.*

Stock Appreciation Rights may be granted under the Plan on a stand-alone basis only. The Administrator shall have the authority to grant Stock Appreciation Rights to any Eligible Individual. Except as otherwise provided herein, a Stock Appreciation Right shall terminate and no longer be exercisable as determined by the Administrator.

Stock Appreciation Rights shall be evidenced by stock appreciation right agreements, each in a form approved by the Administrator. The grant of a Stock Appreciation Right shall occur as of the date the Administrator determines, subject to FASB Statement 123(R) (now codified as FASB Accounting Standards Codification (ASC) Topic 718 – Stock Compensation) and guidance thereunder.

A Stock Appreciation Right may be exercised by a Participant as determined by the Administrator in accordance with this Section 5. Upon such exercise, the Participant shall be entitled to receive an amount determined in the manner prescribed in this Section 5 .

Stock Appreciation Rights shall be subject to such terms and conditions, performance requirements, restrictions, forfeiture provisions, contingencies and limitations as shall be determined by the Administrator, including the following:

(a) *Stock Appreciation Right Term.* The term of each Stock Appreciation Right shall be fixed by the Administrator at the time of grant.

(b) *Vesting.* Except as otherwise provided in the applicable stock appreciation right agreement, a Participant may not exercise a Stock Appreciation Right during the period commencing on the date of the grant of such Stock Appreciation Right to him or her and ending on the day immediately preceding the first anniversary of such date. Except as otherwise provided in the applicable stock appreciation right agreement, a Participant may (i) during the period commencing on the first anniversary of the date of the grant of a Stock Appreciation Right and ending on the day immediately preceding the second anniversary of such date, exercise the Stock Appreciation Right with respect to one-fifth of the shares to which the Stock Appreciation Right applies, (ii) during the period commencing on the second anniversary of the date of such grant and ending on the day immediately preceding the third anniversary of the date of such grant, exercise the Stock Appreciation Right with respect to two-fifths of the shares to which the Stock Appreciation Right applies, (iii) during the period commencing on the third anniversary of the date of such grant and ending on the day immediately preceding the fourth anniversary of such date, exercise the Stock Appreciation Right with respect to three-fifths of the shares to which the Stock Appreciation Right applies; (iv) during the period commencing on the fourth anniversary of the date of such grant and ending on the day immediately preceding the fifth anniversary of such date, exercise the Stock Appreciation Right with respect to four-fifths of the shares to which the Stock Appreciation Right applies; and (v) during the period commencing on the fifth anniversary of such date and ending at the time the Stock Appreciation Right expires pursuant to the terms of the Plan, exercise the Stock Appreciation Right with respect to all the shares to which the Stock Appreciation Right applies. Notwithstanding the foregoing, no Stock Appreciation Right shall be fully vested prior to the third anniversary of the date of grant of such Stock Appreciation Right, provided that Stock Appreciation Rights granted to non-employee directors of the Company may be fully vested by the second anniversary of the date of grant of such Stock Appreciation Right.

(c) *Exercisability.* Notwithstanding Section 5(a), the Administrator may at any time, in whole or in part, accelerate the exercisability of any Stock Appreciation Right. Notwithstanding the foregoing, no Stock Appreciation Right shall be fully exercisable prior to the third anniversary of the date of grant of such Stock Appreciation Right, provided that Stock Appreciation Rights granted to non-employee Directors of the Company may be fully exercisable prior to the second anniversary of the date of grant of such Stock Appreciation Right.

(d) *Method of Exercise.* Subject to the provisions of this Section 5, Stock Appreciation Rights may be exercised, in whole or in part, at such time or times during the exercisability as determined by the Administrator by giving written notice of exercise to the Company specifying the number of shares with respect to which the Stock Appreciation Right is being exercised.

(e) Upon the exercise of a Stock Appreciation Right, a Participant shall be entitled to receive an amount in shares of Stock, which in the aggregate are equal in value to the excess of the Fair Market Value of one share of Stock on the date of exercise over the Fair Market Value of one share of Stock on the date of grant, multiplied by the number of shares in respect of which the Stock Appreciation Right shall have been exercised.

(f) A Stock Appreciation Right shall be transferable only to, and shall be exercisable only by, such persons permitted in accordance with Section 4(f) .

(g) *Termination by Death*. If a Participant's employment or provision of services terminates by reason of death, any Stock Appreciation Right held by such Participant may thereafter be exercised for a period of one year from the date of such death or until the expiration of the stated exercisability period of such Stock Appreciation Right, whichever period is shorter.

(h) *Termination by Reason of Disability*. If a Participant's employment or provision of services terminates by reason of Disability, any Stock Appreciation Right held by such Participant may thereafter be exercised by the Participant for a period of one year from the date of such termination of employment or provision of services or until the expiration of the exercisability period of such Stock Appreciation Right, whichever period is shorter.

(i) *Termination by Reason of Retirement*. If a Participant's employment or provision of services terminates by reason of Retirement, any Stock Appreciation Right held by such Participant may thereafter be exercised by the Participant for a period of one year from the date of such termination of employment or provision of services or until the expiration of the exercisability period of such Stock Appreciation Right, whichever period is shorter.

(j) *Involuntary Termination Without Cause*. If a Participant's employment or provision of services terminates involuntarily without Cause, and for reasons other than death, Disability or Retirement, any Stock Appreciation Right held by such Participant may thereafter be exercised, to the extent it was exercisable at the time of termination, for a period of 30 days from the date of such termination of employment or provision of services or until the expiration of the exercisability period of such Stock Appreciation Right, whichever period is shorter, and any Stock Appreciation Right that is unvested or unexercisable at the date of termination shall thereupon terminate.

(k) *Termination for Cause.* If a Participant's employment or provision of services terminates involuntarily for Cause vesting of all outstanding Stock Appreciation Rights held by such Participant shall thereupon terminate and all Stock Appreciation Rights held by such Participant shall thereupon terminate.

(l) *Other Termination.* If a Participant's employment or provision of services is terminated by the Participant for any reason other than death, Disability or Retirement, any Stock Appreciation Right held by such Participant may thereafter be exercised, to the extent it was exercisable at the time of termination, for a period of 30 days from the date of such termination of employment or provision of services or until the expiration of the exercisability period of such Stock Appreciation Right, whichever period is shorter, and any Stock Appreciation Right that is unvested or unexercisable at the date of termination shall thereupon terminate.

(m) Notwithstanding the foregoing, to the extent permitted under Section 409A of the Code, the exercise period following a termination described in subsection (g), (h), (i), (j) or (l) above shall be tolled for any applicable window/blackout period restrictions under the Company's insider trading policy.

6. *STOCK AWARDS OTHER THAN OPTIONS.*

Stock Awards may be directly issued under the Plan (without any intervening options), subject to such terms, conditions, performance requirements, restrictions, forfeiture provisions, contingencies and limitations as the Administrator shall determine. Subject to the provisions of this Section 6, Stock Awards may be issued which vest in one or more installments over the Participant's period of employment and/or other service to the Company and/or upon the attainment of specified performance objectives, and/or the Company may issue Stock Awards which entitle the Participant to receive a specified number of vested shares of Stock upon the attainment of one or more performance goals and/or service requirements established by the Administrator. Notwithstanding the foregoing and except as otherwise provided in any applicable Award agreement or other agreement approved by the Committee, the restrictions on any Stock Award shall not terminate with respect to all shares subject thereto prior to the third anniversary of the date of grant of such Stock Award, provided that restrictions on any Stock Awards granted to non-employee directors of the Company may terminate as to all the shares subject thereto by the second anniversary of the date of grant of such Stock Award.

Shares representing a Stock Award shall be evidenced in such manner as the Administrator may deem appropriate, including book-entry registration or issuance of one or more certificates (which may bear appropriate legends referring to the terms, conditions and restrictions applicable to such Award). The Administrator may require that any such certificates be held in custody by the Company until any restrictions thereon shall have lapsed and that the Participant deliver a stock power, endorsed in blank, relating to the Stock covered by such Award.

A Stock Award may be issued in exchange for any consideration which the Administrator may deem appropriate in each individual instance, including, without limitation:

(a) cash or cash equivalents;

(b) past services rendered to the Company or any Affiliate; or

(c) future services to be rendered to the Company or any Affiliate (*provided that*, in such case, the par value of the stock subject to such Stock Award shall be paid in cash or cash equivalents, unless the Administrator provides otherwise).

A Stock Award that is subject to restrictions on transfer and/or forfeiture provisions may be referred to as an award of "*Restricted Stock*" or " *Restricted Stock Units* ." Except as provided in the applicable restricted stock agreement or restricted stock unit agreement, the restrictions on any Stock Award shall terminate as follows: (a) as to one-half of the restricted shares granted thereby, on the third anniversary of the date of grant of such Stock Award; (b) as to an additional one-fourth of the restricted shares granted thereby, on the fourth anniversary of the date of grant of such Restricted Stock; and (c) as to an additional one-fourth of the restricted shares granted thereby, on the fifth anniversary of the date of grant of such Restricted Stock. A Participant, at his or her option, will be entitled to make the election permitted under section 83(b) of the Code, to include in gross income in the taxable year in which the Restricted Stock are transferred to him or her, the fair market value of such shares at the time of transfer, notwithstanding that such shares are subject to a substantial risk of forfeiture within the meaning of the Code, or he or she may elect to include in gross income the Fair Market Value of the Restricted Stock as of the date or date on which such restrictions lapse. Notwithstanding the foregoing, the Administrator shall adopt, from time to time, such rules with respect to the return of executed Restricted Stock Agreements as it deems appropriate and failure by a Participant to comply with such rules shall, without limitation, terminate the grant of such Restricted Stock to such Participant and/or cause the forfeiture of any Restricted Stock as to which restrictions have not yet lapsed.

Any Participant selected by the Administrator may be granted dividends or dividend equivalents based on the dividends declared on shares of Stock that are subject to any Stock Award, to be credited as of dividend payment dates, during the period between the date the Stock Award is granted and the date the Stock Award is exercised, vests, or expires, as determined by the Administrator. Such dividends or dividend equivalents shall be converted to cash or additional shares of Stock by such formula and at such time and subject to such limitations as may be determined by the Administrator.

7. *PERFORMANCE AWARDS.*

(a) *Performance Conditions and Cash Awards*. The right of a Participant to exercise or receive a grant or settlement of any Stock Appreciation Right, Stock Option or Stock Award, and its timing, may be subject to performance conditions specified by the Administrator at the time of grant (except as provided in this Section 7). In addition, the Administrator may grant to Eligible Individuals Cash Awards, based on the achievement of specified performance conditions for annual periods or such other time periods as determined by the Administrator, in such amounts and upon such terms as the Administrator shall specify at the time of grant consistent with this Section 7. The maximum aggregate dollar amount paid in respect of Cash Awards to any one Participant in respect of a performance period of one fiscal year or less shall not exceed $4,000,000 in any fiscal year, and the maximum aggregate dollar amount paid in respect of Cash Awards to any one Participant in respect of a performance period longer than one fiscal year shall not exceed $4,000,000 in any fiscal year. The Administrator may use business criteria and other measures of performance it deems appropriate in establishing any performance conditions, and may exercise its discretion to reduce or increase amounts payable under any Award subject to performance conditions, except as limited under Sections 7(b) hereof in the case of a Performance Award intended to qualify under Section 162(m) of the Code.

(b) *Performance Awards Granted to Designated Covered Employees*. If the Administrator determines that a Performance Award to be granted to a person the Administrator regards as likely to be a Covered Employee should qualify as "performance-based compensation" for purposes of Section 162(m) of the Code, the grant and/or settlement of such Performance Award shall be contingent upon achievement of pre-established performance goals and other terms set forth in this Section 7(b)

(i) *Performance Goals Generally*. The performance goals for such Performance Awards shall consist of one or more business criteria and a targeted level or levels of performance with respect to such criteria, as specified by the Administrator consistent with this Section 7(b). Performance goals shall be objective and shall otherwise meet the requirements of Section 162(m) of the Code, including the requirement that the level or levels of performance targeted by the Administrator result in the performance goals being "substantially uncertain." The Administrator may determine that more than one performance goals must be achieved as a condition to settlement of such Performance Awards. Performance goals may differ for Performance Awards granted to any one Participant or to different Participants.

(ii) *Business Criteria.* One or more of the following business criteria for the Company, on a consolidated basis, and/or for specified Subsidiaries or business units of the Company (except with respect to the total stockholder return and earnings per share criteria), shall exclusively be used by the Administrator in establishing performance goals for such Performance Awards: (a) attainment of the Company's Key Operating Metrics, (b) attainment of the Company's Key Business Initiatives, (c) total stockholder return; (d) such total stockholder return as compared to total return (on a comparable basis) of a publicly available index; (e) net income; (f) pre-tax earnings; (g) EBIT; (h) EBITDA; (i) pre-tax operating earnings after interest expense and before bonuses, service fees, and extraordinary or special items; (j) operating margin; (k) earnings per share; (l) return on equity; (m) return on capital; (n) return on investment; (o) operating income, excluding the effect of charges for acquired in-process technology and before payment of executive bonuses; (p) earnings per share, excluding the effect of charges for acquired in-process technology and before payment of executive bonuses; (q) working capital; (r) net capital provided by operating activities less expenditures for property, plant and equipment; (s) total revenues; (t) free cash flow; and (u) a percentage of incremental revenue dollars converted into operating income ("read through").

(iii) Except as limited by Section 162(m) of the Code, the Administrator may adjust such criteria targets to mitigate the effect of unbudgeted or unplanned events not foreseen at the time the targets were established, such as (a) asset write-downs; (b) litigation or claim judgments or settlements; (c) the effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results; (d) any reorganization and restructuring programs; (e) extraordinary nonrecurring items as described in Accounting Principles Board Opinion No. 30 and/or in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report to shareholders for the applicable year; (f) acquisitions or divestitures; and (g) foreign exchange gains and losses.

(iv) *Performance Period: Timing For Establishing Performance Goals*. Achievement of performance goals in respect of such Performance Awards shall be measured over such periods as may be specified by the Administrator. Performance goals shall be established on or before the dates that are required or permitted for "performance-based compensation" under Section 162(m) of the Code.

(v) *Payment or Settlement of Performance Awards; Other Terms*. Payment of Cash Awards shall be made in cash and settlement of other Performance Awards may be in cash or Stock, or other Awards, or other property, in the discretion of the Administrator. The time of payment or settlement of Cash Awards or other Performance Awards subject to Section 409A of the Code shall be specified by the Administrator in accordance with the requirements of Section 409A of the Code. The Administrator may, in its discretion, reduce the amount of a payment or other settlement otherwise to be made in connection with such Performance Awards, but may not exercise discretion to increase any such amount payable in respect of a Performance Award subject to this Section 7(b). Subject to the requirements of Sections 162(m) and 409A of the Code, the Administrator shall specify other terms relating to Performance Awards, including the circumstances in which such Performance Awards shall be forfeited or paid in the event of a termination of employment.

8. *CHANGE IN CONTROL PROVISIONS.*

(a) *Impact of Event*. Notwithstanding any other provision of the Plan to the contrary and except as otherwise provided in any applicable Award agreement or other agreement approved by the Committee, in the event of a Change in Control:

(i) Subject to Section 8(a)(iv) hereof, the vesting and exercisability of any Stock Options and Stock Appreciation Rights outstanding as of the date such Change in Control is determined to have occurred and not then vested and exercisable shall become fully vested and exercisable;

(ii) Subject to Section 8(a)(iv) hereof, any restrictions applicable to any outstanding Stock Awards shall lapse and the Stock relating to such Awards shall become free of all restrictions and fully vested and transferable;

(iii) Subject to Section 8(a)(iv) and8(a)(v) hereof, all outstanding repurchase rights of the Company with respect to any outstanding Awards may, in the discretion of the Administrator, terminate;

(iv) Outstanding Stock Options, Stock Appreciation Rights and other Stock Awards shall be subject to any agreement of merger or reorganization that effects such Change in Control, if such agreement provides for:

(A) The continuation of the outstanding Awards by the Company, if the Company is a surviving corporation;

(B) The assumption of the outstanding Awards by the surviving corporation or its parent or subsidiary;

(C) The substitution by the surviving corporation or its parent or subsidiary of equivalent awards for the outstanding Awards; or

(D) Subject to Section 409A of the Code, settlement of each share of Stock subject to an outstanding Award for the Change in Control Price (less, to the extent applicable, the per share exercise price), or, if the per share exercise price equals or exceeds the Change in Control Price, the outstanding Award shall terminate and be canceled; and

(v) In the absence of any agreement of merger or reorganization (if applicable) which addresses the effects of such Change in Control and subject to Section 409A of the Code, each share of Stock subject to an outstanding Stock Option, Stock Appreciate Right and Stock Award shall be settled for the Change in Control Price (less, to the extent applicable, the per share exercise price), or, if the per share exercise price equals or exceeds the Change in Control Price, the outstanding Award shall terminate and be canceled.

(b) *Definition of Change in Control*.

(i) For purposes of the Plan, a "*Change in Control*" shall occur or be deemed to have occurred only if any of the following events occur:

(A) A change in the ownership of the Company. A change in ownership of the Company shall occur on the date that any one person, or more than one person acting as a "Group" (as defined under Section 409A of the Code), other than Mitchell Jacobson or Marjorie Gershwind or a member of the Jacobson or Gershwind families or any trust established principally for members of the Jacobson or Gershwind families or an executor, administrator or personal representative of an estate of a member of the Jacobson or Gershwind families and/or their respective affiliates, acquires ownership of stock of the Company that, together with stock held by such person or Group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company; provided, however, that, if any one person or more than one person acting as a Group, is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons is not considered to cause a change in the ownership of the Company.

(B) A change in the effective control of the Company. A change in the effective control of the Company occurs on the date that:

(I) any one person, or more than one person acting as a Group, other than Mitchell Jacobson or Marjorie Gershwind or a member of the Jacobson or Gershwind families or any trust established principally for members of the Jacobson or Gershwind families or an executor, administrator or personal representative of an estate of a member of the Jacobson or Gershwind families and/or their respective affiliates, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 50% or more of the total voting power of the stock of the Company; or

(II) a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; provided, however, that, if one person, or more than one person acting as a Group, is considered to effectively control the Company, the acquisition of additional control of the Company by the same person or persons is not considered a change in the effective control of the Company.

(C) A change in the ownership of a substantial portion of the Company's assets. A change in the ownership of a substantial portion of the Company's assets occurs on the date that any one person, or more than one person acting as a Group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total Gross Fair Market Value (as defined in Section 8(b)(ii)) equal to or more than 80% of the total Gross Fair Market Value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that, a transfer of assets by the Company is not treated as a change in the ownership of such assets if the assets are transferred to:

(I) a shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock;

(II) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company;

(III) a person, or more than one person acting as a Group, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company; or

(IV) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a person described in Section 8(b)(i)(C)(III) .

(ii) For purposes of Section 8(b)(i)(C), "*Gross Fair Market Value*" means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

(iii) For purposes of Section 8(b), stock ownership is determined under Section 409A of the Code.

(c) *Change in Control Price*. For purposes of the Plan, "*Change in Control Price*" means the highest of (i) the highest reported sales price, regular way, of a share of Stock in any transaction reported on the New York Stock Exchange Composite Tape or other national securities exchange on which such shares are listed, as applicable, during the 60-day period prior to and including the date of a Change in Control, (ii) if the Change in Control is the result of a tender or exchange offer or a Corporate Transaction, the highest price per share of Stock paid in such tender or exchange offer or Corporate Transaction, and (iii) the Fair Market Value of a share of Stock upon the Change in Control. To the extent that the consideration paid in any such transaction described above consists all or in part of securities or other non-cash consideration, the value of such securities or other non-cash consideration shall be determined in the sole discretion of the Board. The Participant shall receive the same form of consideration as holders of common stock, subject to the same restrictions and limitations and indemnification obligations as the holders of common stock and will execute any and all documents required by the Administrator to evidence the same.

9. MISCELLANEOUS.

(a) *Amendment; Prohibition on Repricing.* The Board may at any time terminate, amend, alter, or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which would adversely affect the rights of a Participant under an Award theretofore granted without the Participant's consent, except such an amendment (i) made to avoid an expense charge to the Company or an Affiliate under applicable law or regulation, (ii) made to permit the Company or an Affiliate a deduction under the Code, or (iii) made to avoid the violation of Section 409A of the Code. No such amendment or alteration shall be made without the approval of a majority vote of the Company's shareholders, present in person or by proxy at any special or annual meeting of the shareholders to the extent such approval is required by law, agreement or the rules of any stock exchange or market on which the Stock is listed. Further, other than adjustments made pursuant to Section 3, without the approval of a majority vote of the Company's shareholders, present in person or by proxy at any special or annual meeting of the shareholders, the Company may not (X) amend the terms of outstanding Stock Options or Stock Appreciation Rights to reduce the exercise price of such outstanding Stock Options or Stock Appreciation Rights; (Y) cancel outstanding Stock Options or Stock Appreciation Rights in exchange for Stock Options or Stock Appreciation Rights with an exercise price that is less than the exercise price of the original Stock Options or Stock Appreciation Rights; or (Z) cancel outstanding Stock Options or Stock Appreciation Rights with an exercise price above the current stock price in exchange for cash or other securities.

Except as limited by Section 162(m) of the Code in respect of Awards intended to qualify as "performance-based compensation," the Administrator may amend the terms of any Stock Option or other Award theretofore granted, prospectively or retroactively, but except as provided in Section 3 hereof no such amendment shall adversely affect the rights of a Participant without the Participant's consent.

(b) *Unfunded Status of Plan.* It is intended that this Plan be an "unfunded" plan for incentive and deferred compensation. The Administrator may authorize the creation of trusts or other arrangements to meet the obligations created under this Plan to deliver Stock or make payments, *provided that*, unless the Administrator otherwise determines, the existence of such trusts or other arrangements is consistent with the "unfunded" status of this Plan.

(c) *General Provisions*.

(i) Unless the shares to be issued in connection with an Award are registered prior to the issuance thereof under the Securities Act of 1933, as amended, the Administrator may require each person purchasing or receiving shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares for his or her own account as an investment without a view to or for sale in connection with, the distribution thereof. The certificates for such shares may include any legend which the Administrator deems appropriate to reflect any restrictions on transfer.

All certificates for shares of Stock or other securities delivered under the Plan shall be subject to such stock transfer orders and other restrictions as the Administrator may deem advisable under the rules, regulations and other requirements of the Commission, any stock exchange or market on which the Stock is then listed and any applicable Federal or state securities law, and the Administrator may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(ii) Nothing contained in the Plan shall prevent the Company or any Affiliate from adopting other or additional compensation arrangements for its employees.

(iii) The adoption of the Plan shall not confer upon any employee, director, associate, consultant or advisor any right to continued employment, directorship or service, nor shall it interfere in any way with the right of the Company or any Subsidiary or Affiliate to terminate the employment or service of any employee, consultant or advisor at any time.

(iv) No later than the date as of which an amount first becomes includible in the gross income of the Participant for Federal income tax purposes with respect to any Award under the Plan, the Participant shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any Federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. Unless otherwise determined by the Administrator, withholding obligations may be settled with Stock, including Stock that is part of the Award that gives rise to the withholding requirement. The obligations of the Company under the Plan shall be conditional on such payment or arrangements, and the Company, its Subsidiaries and its Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Participant. The Administrator may establish such procedures as it deems appropriate for the settlement of withholding obligations with Stock.

(v) The Administrator shall establish such procedures as it deems appropriate for a Participant to designate a beneficiary to whom any amounts payable in the event of the Participant's death are to be paid. In the event of the death of a Participant, a condition of exercising any Award shall be the delivery to the Company of such tax waivers and other documents as the Administrator shall determine.

(vi) Neither any Participant nor his or her legal representatives, legatees or distributees shall be or be deemed to be the holder of any share of Stock covered hereby unless and until a certificate for such share has been issued. Upon payment of the purchase price thereof, a share shall be fully paid and non-assessable.

(vii) The grant of an Award shall in no way affect the right of the Company to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets, or issue bonds, debentures, preferred or prior preference stock ahead of or affecting the Stock, or take any other corporate act or proceeding whether of a similar character or otherwise.

(viii) If any payment or right accruing to a Participant under this Plan (without the application of this Section 9(c)(viii)), either alone or together with other payments or rights accruing to the Participant from the Company or an Affiliate (" *Total Payments* ") would constitute a "parachute payment" (as defined in Section 280G of the Code and regulations thereunder), such payment or right shall be reduced to the largest amount or greatest right that will result in no portion of the amount payable or right accruing under this Plan being subject to an excise tax under Section 4999 of the Code or being disallowed as a deduction under Section 280G of the Code; *provided*, *however*, that the foregoing shall not apply to the extent provided otherwise in an Award or in the event the Participant is party to an agreement with the Company or an Affiliate that explicitly provides for an alternate treatment of payments or rights that would constitute "parachute payments." The determination of whether any reduction in the rights or payments under this Plan is to apply shall be made by the Administrator in good faith after consultation with the Participant, and such determination shall be conclusive and binding on the Participant. The Participant shall cooperate in good faith with the Administrator in making such determination and providing the necessary information for this purpose. The foregoing provisions of this Section 9(c)(viii) shall apply with respect to any person only if, after reduction for any applicable Federal excise tax imposed by Section 4999 of the Code and Federal income tax imposed by the Code, the Total Payments accruing to such person would be less than the amount of the Total Payments as reduced, if applicable, under the foregoing provisions of this Plan and after reduction for only Federal income taxes.

(ix) To the extent that the Administrator determines that the restrictions imposed by the Plan preclude the achievement of the material purposes of the Awards in jurisdictions outside the United States, the Administrator in its discretion may modify those restrictions as it determines to be necessary or appropriate to conform to applicable requirements or practices of jurisdictions outside of the United States.

(x) The headings contained in this Plan are for reference purposes only and shall not affect the meaning or interpretation of this Plan.

(xi) If any provision of this Plan shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not effect any other provision hereby, and this Plan shall be construed as if such invalid or unenforceable provision were omitted.

(xii) This Plan shall inure to the benefit of and be binding upon each successor and assign of the Company. All obligations imposed upon a Participant, and all rights granted to the Company hereunder, shall be binding upon the Participant's heirs, legal representatives and successors.

(xiii) This Plan and each agreement granting an Award constitute the entire agreement with respect to the subject matter hereof and thereof, *provided that* in the event of any inconsistency between this Plan and such agreement, the terms and conditions of the Plan shall control.

(xiv) In the event there is an effective registration statement under the Securities Act pursuant to which shares of Stock shall be offered for sale in an underwritten offering, a Participant shall not, during the period requested by the underwriters managing the registered public offering, effect any public sale or distribution of shares of Stock received, directly or indirectly, as an Award or pursuant to the exercise or settlement of an Award.

(xv) None of the Company, an Affiliate or the Administrator shall have any duty or obligation to disclose affirmatively to a record or beneficial holder of Stock or an Award, and such holder shall have no right to be advised of, any material information regarding the Company or any Affiliate at any time prior to, upon or in connection with receipt or the exercise of an Award or the Company's purchase of Stock or an Award from such holder in accordance with the terms hereof.

(xvi) This Plan, and all Awards, agreements and actions hereunder, shall be governed by, and construed in accordance with, the laws of the state of New York (other than its law respecting choice of law).

10. *DEFINITIONS.*

For purposes of this Plan, the following terms are defined as set forth below:

(a) "*Affiliate*" means a corporation or other entity controlled by the Company and designated by the Administrator as such.

(b) "*Award*" means a Stock Appreciation Right, Stock Option, Stock Award or Cash Award.

(c) "*Board*" means the Board of Directors of the Company.

(d) "*Cash Award*" means an award granted under Section 7 which is denominated and payable in cash based on the achievement of specified performance conditions.

(e) "*Cause*" means (i) the commission by the Participant of any act or omission that would constitute a felony or any crime of moral turpitude under Federal law or the law of the state or foreign law in which such action occurred, (ii) dishonesty, disloyalty, fraud, embezzlement, theft, disclosure of trade secrets or confidential information or other acts or omissions that result in a breach of fiduciary or other material duty to the Company and/or a Subsidiary; or (iii) continued reporting to work or working under the influence of alcohol, an illegal drug, an intoxicant or a controlled substance which renders Participant incapable of performing his or her material duties to the satisfaction of the Company and/or its Subsidiaries. Notwithstanding the foregoing, if the Participant and the Company or the Affiliate have entered into an employment or services agreement which defines the term " *Cause* " (or a similar term), such definition shall govern for purposes of determining whether such Participant has been terminated for Cause for purposes of this Plan. The determination of Cause shall be made by the Administrator, in its sole discretion.

(f) "*Code*" means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.

(g) "*Commission*" means the Securities and Exchange Commission or any successor agency.

(h) "*Committee*" means a committee of Directors appointed by the Board to administer this Plan. Insofar as the Committee is responsible for granting Awards to Participants hereunder, it shall consist solely of two or more directors, each of whom is a "non-employee director" within the meaning of Rule 16b-3, an "outside director" under Section 162(m) of the Code, an "independent director" as defined by the Sarbanes-Oxley Act of 2002, and "independent" as defined by the rules of any stock exchange or market on which the Stock is listed.

(i) "*Covered Employee*" means a person who is a "covered employee" within the meaning of Section 162(m) of the Code.

(j) "*Director*" means a member of the Company's Board.

(k) "*Disability*" means mental or physical illness that entitles the Participant to receive benefits under the long-term disability plan of the Company or an Affiliate, or if the Participant is not covered by such a plan or the Participant is not an employee of the Company or an Affiliate, a mental or physical illness that renders a Participant totally and permanently incapable of performing the Participant's duties for the Company or an Affiliate; *provided* , *however* , that a Disability shall not qualify under this Plan if it is the result of (i) a willfully self-inflicted injury or willfully self-induced sickness; or (ii) an injury or disease contracted, suffered or incurred while participating in a criminal offense. Notwithstanding the foregoing, if the Participant and the Company or an Affiliate have entered into an employment or services agreement which defines the term " *Disability* " (or a similar term), such definition shall govern for purposes of determining whether such Participant suffers a Disability for purposes of this Plan. The determination of Disability shall be made by the Administrator, in its sole discretion. The determination of Disability for purposes of this Plan shall not be construed to be an admission of disability for any other purpose.

(l) "*Effective Date*" means January 3, 2006.

(m) "*Eligible Individual*" means any officer, employee, associate or director of the Company or a Subsidiary or Affiliate, or any consultant or advisor providing services to the Company or a Subsidiary or Affiliate, or employees of a corporation or other business enterprise which has been acquired by the Company or a Subsidiary, who hold options with respect to the stock of such corporation which the Company has agreed to assume. Only executive officers of the Company shall be eligible to receive Cash Awards.

(n) "*Exchange Act*" means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.

(o) "*Fair Market Value*" means, as of any given date, the fair market value of the Stock as determined by the Administrator or under procedures established by the Administrator. Unless otherwise determined by the Administrator, the Fair Market Value per share on any date shall be the closing sales price per share of the Stock on the New York Stock Exchange (or the principal stock exchange or market on which the Stock is then traded) on the business day preceding the date as of which such value is being determined or the last previous day on which a sale was reported if no sale of the Stock was reported on such date on such Exchange on such business day.

(p) "*Family Member*" means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of a Participant (including adoptive relationships); any person sharing the Participant's household (other than a tenant or employee); any trust in which the Participant and any of these persons have all of the beneficial interest; any foundation in which the Participant and any of these persons control the management of the assets; any corporation, partnership, limited liability company or other entity in which the Participant and any of these other persons are the direct and beneficial owners of all of the equity interests (*provided* the Participant and these other persons agree in writing to remain the direct and beneficial owners of all such equity interests); and any personal representative of the Participant upon the Participant's death for purposes of administration of the Participant's estate or upon the Participant's incompetency for purposes of the protection and management of the assets of the Participant.

(q) "*Incentive Stock Option*" means any Stock Option intended to be and designated as an "incentive stock option" within the meaning of Section 422 of the Code.

(r) "*Non-Qualified Stock Option*" means any Stock Option that is not an Incentive Stock Option.

(s) "*Optionee*" means a person who holds a Stock Option.

(t) "*Participant*" means a person granted an Award.

(u) “*Performance Award*” means a right, granted to a Participant under Section 7, to receive Awards based upon performance criteria specified by the Administrator.

(v) “*Representative*” means (i) the person or entity acting as the executor or administrator of a Participant’s estate pursuant to the last will and testament of a Participant or pursuant to the laws of the jurisdiction in which the Participant had his or her primary residence at the date of the Participant’s death; (ii) the person or entity acting as the guardian or temporary guardian of a Participant; (iii) the person or entity which is the beneficiary of the Participant upon or following the Participant’s death; or (iv) any person to whom an Option has been transferred with the permission of the Administrator or by operation of law; *provided that* only one of the foregoing shall be the Representative at any point in time as determined under applicable law and recognized by the Administrator.

(w) “*Retirement*” means termination of employment or provision of services without Cause, death or Disability on or after age 65 with 5 years of service.

(x) “*Stock*” means the Class A common stock, par value $0.001 per share, of the Company.

(y) “*Stock Appreciation Right*” means a right granted under Section 5.

(z) “*Stock Award*” means an Award, other than a Stock Option or Stock Appreciation Right, made in Stock or denominated in shares of Stock.

(aa) “*Stock Option*” means an option granted under Section 4.

(bb) “*Subsidiary*” means any company during any period in which it is a “subsidiary corporation” (as such term is defined in Section 424(f) of the Code) with respect to the Company.

(cc) “*Ten Percent Holder*” means an individual who owns, or is deemed to own, stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or of any parent or subsidiary corporation of the Company, determined pursuant to the rules applicable to Section 422(b)(6) of the Code.

In addition, certain other terms used herein have the definitions given to them in the first places in which they are used.

Exhibit 10.03

MSC INDUSTRIAL DIRECT CO., INC.
2001 STOCK OPTION PLAN

(As amended and restated effective December 20, 2012)

1. Purpose.

The purposes of the 2001 Stock Option Plan (the "Plan") are to induce certain employees, directors and consultants to remain in the employ, or to continue to serve as directors and consultants, of MSC Industrial Direct Co., Inc. (the "Company") and its present and future subsidiary corporations (each a "Subsidiary"), as defined in Section 424(f) of the Internal Revenue Code of 1986, as amended (the "Code"), to attract new individuals to enter into such employment or service and to encourage such individuals to secure stock ownership in, or to increase on reasonable terms their stock ownership in, the Company. The Board of Directors of the Company (the "Board") believes that the granting of stock options (the "Options") under the Plan will promote continuity of management and increased incentive and personal interest in the welfare of the Company by those who are or may become primarily responsible for shaping and carrying out the long range plans of the Company and securing its continued growth and financial success. Options granted hereunder are intended to be either (a) "incentive stock options" (which term, when used herein, shall have the meaning ascribed thereto by the provisions of Section 422(b) of the Code), (b) options which are not incentive stock options ("non-incentive stock options") or (c) a combination thereof, as determined by the Committee (as hereinafter defined) referred to in Section 4 hereof at the time of the grant thereof.

2. Effective Date of the Plan.

The Plan, as adopted by the Board on September 20, 2001, shall become effective on September 20, 2001, subject to ratification by the shareholders of the Company within 12 months of such date.

3. Stock Subject to Plan.

5,000,000 of the authorized but unissued shares of the Class A common stock, $.001 par value, of the Company (the "Class A Common Stock") are hereby reserved for issuance upon the exercise of Options granted under the Plan; *provided*, *however*, that the number of shares so reserved may from time to time be reduced to the extent that a corresponding number of issued and outstanding shares of the Class A Common Stock are purchased by the Company and set aside for issuance upon the exercise of Options. If any Options expire or terminate for any reason without having been exercised in full, the unpurchased shares subject thereto shall again be available for the purposes of the Plan. For the purposes of this Section 3, the number of shares purchased upon the exercise of an Option shall be determined without giving effect to the use by a Participant (as hereinafter defined) of the right set forth in Section 10C to deliver shares of the Class A Common Stock in payment of all or a portion of the option price or the use by a Participant of the right set forth in Section 14C to cause the Company to withhold from the shares of the Class A Common Stock otherwise deliverable to him or her upon the exercise of an Option shares of the Class A Common Stock in payment of all or a portion of his or her withholding obligation arising from such exercise.

4. Committee.

The Plan shall be administered by a committee consisting of three or more members of the Board (the "Committee") all of whom are intended to be "non-employee directors" within the meaning of Rule 16b-3(b)(3) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and "outside directors" within the contemplation of Section 162(m)(4)(C)(i) of the Code. In the event that there shall not be at least three members of the Committee who qualify as "non-employee" directors within the meaning of Rule 16b-3 of the Exchange Act, all Option grants under the Plan will be made by the Board on the recommendation of the Committee. The Committee shall be appointed annually by the Board, which may at any time and from time to time remove any members of the Committee, with or without cause, and, in accordance with the requirements set forth in the first sentence of this Section 4, appoint additional members to the Committee and fill vacancies, however caused, on the Committee. A majority of the members of the Committee shall constitute a quorum. All determinations of the Committee shall be made by a majority of its members present at a meeting duly called and held or by unanimous written consent. Any decision or determination of the Committee made by unanimous written consent shall be fully as effective as if it had been made at a meeting duly called and held.

5. Administration.

Subject to the express provisions of the Plan, the Committee shall have complete authority, in its discretion, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, to determine the terms and provisions of the respective option agreements or certificates (which need not be identical), to determine the individuals (each a "Participant") to whom and the times and the prices at which Options shall be granted, the periods during which each Option shall be exercisable, the number of shares of the Class A Common Stock to be subject to each Option and whether such Option shall be an incentive stock option or a non-incentive stock option and to make all other determinations necessary or advisable for the administration of the Plan; *provided*, *however*, that directors of the Company who are not employed by the Company or any of the Subsidiaries (each a "Non-Employee Director") shall only be granted Options in accordance with the provisions of Section 6B. In making such determinations, the Committee may take into account the nature of the services rendered by the respective employees and consultants, their present and potential contributions to the success of the Company and the Subsidiaries and such other factors as the Committee in its discretion shall deem relevant. The Committee's determination on the matters referred to in this Section 5 shall be conclusive. Any dispute or disagreement which may arise under or as a result of or with respect to any Option shall be determined by the Committee, in its sole discretion, and any interpretations by the Committee of the terms of any Option shall be final, binding and conclusive.

6. Eligibility.

A. An Option may be granted only to (i) an employee or consultant of the Company or a Subsidiary, (ii) to the extent provided in Section 6B, a Non-Employee Director and (iii) employees of a corporation or other business enterprise which has been acquired by the Company or a Subsidiary, whether by exchange or purchase of stock, purchase of assets, merger or reverse merger or otherwise, who hold options with respect to the stock of such corporation which the Company has agreed to assume.

B. (i) At the first meeting of the Board immediately following each annual meeting of the shareholders of the Company, each Non-Employee Director shall be granted an Option (a "Non-Employee Director's Formula Option") to purchase 5,000 shares of the Class A Common Stock at the initial per share option price equal to the fair market value of a share of the Class A Common Stock on the date of grant; *provided*, *however*, that if a Non-Employee Director shall receive a grant pursuant to Section 6B of the Company's 1998 Stock Option Plan for any year, he or she shall not be entitled to receive a Non-Employee Director's Formula Option for such year under this Section 6B.

(ii) Each Non-Employee Director who first becomes a director subsequent to the date of any annual meeting of the shareholders of the Company, and prior to the date of the next succeeding annual meeting of the shareholders of the Company, shall be granted, on the date he or she becomes a director, a Non-Employee Director's Formula Option to purchase the number of shares of the Class A Common Stock equal to the product of (a) 5,000 and (b) a fraction, the numerator of which is the number of full calendar months prior to the next scheduled annual meeting of shareholders and the denominator of which is 12, at the initial per share option price equal to the fair market value of a share of the Class A Common Stock on the date of grant.

(iii) A Non-Employee Director may not exercise a Non-Employee Director's Formula Option during the period commencing on the date of the granting of such Option to him or her and ending on the day immediately preceding the first anniversary of such date. A Non-Employee Director may (a) during the period commencing on the first anniversary of the date of the granting of a Non-Employee Director's Formula Option to him or her and ending on the day immediately preceding the second anniversary of such date, exercise such Option with respect to one-half of the shares granted thereby, and (b) during the period commencing on such second anniversary, exercise such Option with respect to all of the shares granted thereby.

7. Option Prices.

A. Except as otherwise provided in Section 17, the initial per share option price of any Option which is an incentive stock option shall be the price determined by the Committee, but not less than the fair market value of a share of the Class A Common Stock on the date of grant; *provided*, *however*, that, in the case of a Participant who owns (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of the two classes of the Company's common stock (the "Common Stock") at the time an Option which is an incentive stock option is granted to him or her, the initial per share option price shall not be less than 110% of the fair market value of a share of the Class A Common Stock on the date of grant.

B. Except as otherwise provided in Section 17, the initial per share option price of any Option which is a non-incentive stock option shall not be less than 85% of the fair market value of a share of the Class A Common Stock on the date of the grant; *provided*, *however*, that, in the case of a non-incentive stock option granted to a person who is, or in the judgment of the Committee may reasonably be expected to become, a "covered employee" within the meaning of Section 162(m)(3) of the Code, and in the case of a Non-Employee Director's Formula Option, the initial per share option price shall not be less than the fair market value of a share of the Class A Common Stock on the date of grant.

C. For all purposes of the Plan, the fair market value of a share of the Class A Common Stock on any date shall be equal to (i) the closing sale price of the Class A Common Stock on the New York Stock Exchange on the business day preceding such date or (ii) if there is no sale of the Class A Common Stock on such Exchange on such business day, the average of the bid and asked prices on such Exchange at the close of the market on such business day.

8. Option Term.

Participants shall be granted Options for such term as the Committee shall determine, not in excess of 10 years from the date of the granting thereof; *provided*, *however*, that, except as otherwise provided in Section 17, in the case of a Participant who owns (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of the Common Stock of the Company at the time an Option which is an incentive stock option is granted to him or her, the term with respect to such Option shall not be in excess of five years from the date of the granting thereof; *provided further*, *however*, that the term of each Non-Employee Director's Formula Option shall be 10 years from the date of the granting thereof.

9. Limitations on Amount of Options Granted.

A. Except as otherwise provided in Section 17, the aggregate fair market value of the shares of the Class A Common Stock for which any Participant may be granted incentive stock options which are exercisable for the first time in any calendar year (whether under the terms of the Plan or any other stock option plan of the Company) shall not exceed $100,000.

B. Except as otherwise provided in Section 17, no Participant shall, during any fiscal year of the Company, be granted Options to purchase more than 400,000 shares of the Class A Common Stock.

10. Exercise of Options.

A. Except as otherwise provided in Section 17 and except as otherwise determined by the Committee at the time of the grant of an Option other than a Non-Employee Director's Formula Option, a Participant may not exercise an Option during the period commencing on the date of the granting of such Option to him or her and ending on the day immediately preceding the first anniversary of such date. Except as otherwise set forth in Sections 9A and 17, as otherwise determined by the Committee at the time of the grant of an Option other than a Non-Employee Directors Formula Option, and as set forth in the preceding sentence, a Participant may (i) during the period commencing on the first anniversary of the date of the granting of an Option to him or her and ending on the day immediately preceding the second anniversary of such date, exercise such Option with respect to one-fifth of the shares granted thereby, (ii) during the period commencing on such second anniversary and ending on the day immediately preceding the third anniversary of the date of the granting of such Option, exercise such Option with respect to two-fifths of the shares granted thereby, (iii) during the period commencing on such third anniversary and ending on the day immediately preceding the fourth anniversary of the date of the granting of such Option, exercise such Option with respect to three-fifths of the shares granted thereby, (iv) during the period commencing on such fourth anniversary and ending on the day immediately preceding the fifth anniversary of the date of the granting of such Option, exercise such Option with respect to four-fifths of the shares granted thereby and (v) during the period commencing on such fifth anniversary, exercise such Option with respect to all of the shares granted thereby. Notwithstanding the foregoing provision of this Section 10A, an Option granted before January 6, 2004 to a Participant other than a Non-Employee Directors Formula Option will to the extent not already exercisable, become exercisable in full on the Participants 62nd birthday and options granted on or after January 6, 2004 shall not be so immediately exercisable upon the Participant's 62nd birthday but rather will become exercisable pursuant to the applicable items of the Option and this Plan.

B. Except as hereinbefore otherwise set forth, an Option may be exercised either in whole at any time or in part from time to time.

C. An Option may be exercised only by a written notice of intent to exercise such Option with respect to a specific number of shares of the Class A Common Stock and payment to the Company of the amount of the option price for the number of shares of the Class A Common Stock so specified; *provided*, *however*, that, if the Committee shall in its sole discretion so determine at the time of the grant of any Option, all or any portion of such payment may be made in kind by the delivery of shares of the Class A Common Stock having a fair market value equal to the portion of the option price so paid; *provided further*, *however*, that no portion of such payment may be made by delivering shares of the Class A Common Stock acquired upon the exercise of an Option if such shares shall not have been held by the Participant for at least six months; and *provided further*, *however*, that, subject to the requirements of Regulation T (as in effect from time to time) promulgated under the Exchange Act, the Committee may implement procedures to allow a broker chosen by a Participant to make payment of all or any portion of the option price payable upon the exercise of an Option and receive, on behalf of such Participant, all or any portion of the shares of the Class A Common Stock issuable upon such exercise.

D. Except in the case of a Non-Employee Director's Formula Option, the Committee may, in its discretion, permit any Option to be exercised, in whole or in part, prior to the time when it would otherwise be exercisable.

E. Notwithstanding any other provision of the Plan to the contrary, including, but not limited to, the provisions of Section 10B, if any Participant shall have effected a "Hardship Withdrawal" from a "401(k) Plan" maintained by the Company and/or one or more of the Subsidiaries, then, during the period of one year commencing on the date of such Hardship Withdrawal, such Participant may not exercise any Option using cash. For the purpose of this Section 10E, a Hardship Withdrawal shall mean a distribution to a Participant provided for in Reg. § 1.401(k)-1(d)(1)(ii) promulgated under Section 401(k)(2)(B)(i)(iv) of the Code and a 401(k) Plan shall mean a plan which is a "qualified plan" within the contemplation of section 401(a) of the Code which contains a "qualified cash or deferred arrangement" within the contemplation of section 401(k)(2) of the Code.

F. Notwithstanding the provisions of Section 10A, in the event that a Change of Control of the Company shall occur, then, each Option theretofore granted to any Participant which shall not have theretofore expired or otherwise been cancelled or become unexercisable shall become immediately exercisable in full. For purposes hereof a "Change in Control" of the Company shall occur or be deemed to have occurred only if any of the following events occurs: (i) any "person," as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any corporation owned directly or indirectly by the shareholders of the Company in substantially the same proportion as the ownership of stock of the Company) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities; (ii) individuals who, as of the date of grant of an Option, constitute the Board (as of the Date of Grant, the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A under the Exchange Act) shall be, for purposes of this Plan, considered as though such person were a member of the Incumbent Board; or (iii) the shareholders of the Company approve a merger or consolidation of the Company with any other corporation, other than (x) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 60% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation or (y) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no "person" (as hereinabove defined) acquires more than 50% of the combined voting power of the Company's then outstanding securities; or (iv) the shareholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets. In the event that a Change in Control shall occur, then, from and after the time of such event, neither the provisions of this Section 10F nor any of the rights of any Participant thereunder shall be modified or amended in any way.

11. Transferability.

No Option shall be assignable or transferable except by will and/or by the laws of descent and distribution and, during the life of any Participant, each Option granted to him or her may be exercised only by him or her.

12. Termination of Employment.

A. In the event a Participant leaves the employ of the Company and the Subsidiaries or ceases to serve as a consultant to the Company and the Subsidiaries and/or as a Non-Employee Director of the Company, whether voluntarily or otherwise but other than by reason of his or her retirement, permanent disability or death, each Option theretofore granted to him or her which shall not have theretofore expired or otherwise been cancelled shall, to the extent exercisable on the date of such termination of employment or service and not theretofore exercised, terminate upon the earlier to occur of the expiration of 30 days after the date of such Participant's termination of employment or service and the date of termination specified in such Option. Notwithstanding the foregoing, if a Participant's employment by the Company and the Subsidiaries or service as a consultant and/or as a Non-Employee Director of the Company is terminated for "cause" (as defined herein), each Option theretofore granted to him or her which shall not have theretofore expired or otherwise been cancelled shall, to the extent not theretofore exercised, terminate immediately.

B. In the event a Participant leaves the employ of the Company and the Subsidiaries or ceases to serve as a consultant to the Company and the Subsidiaries and/or as a Non-Employee Director of the Company by reason of his or her retirement on or after his or her 65th birthday and five years of service with the Company and/or the Subsidiaries, each Option theretofore granted to him or her which shall not have theretofore expired or otherwise been cancelled shall, to the extent not theretofore exercised, terminate upon the earlier to occur of the expiration of one year after the date of such retirement and the date of termination specified in such Option.

C. In the event a Participant's employment with the Company and the Subsidiaries or service as a consultant and/or as a Non-Employee Director of the Company terminates by reason of his or her permanent disability (within the meaning of Section 22(e)(3) of the Code), each Option theretofore granted to him or her which shall not have theretofore expired or otherwise been cancelled shall immediately become exercisable in full and shall, to the extent not theretofore exercised, terminate upon the earlier to occur of one year after the date of such termination of employment or service and the date of termination specified in such option.

D. If a Participant's employment with the Company and the Subsidiaries or service as a consultant to the Company and the Subsidiaries and/or as a Non-Employee Director of the Company terminates by reason of his or her death, each Option theretofore granted to him or her which shall not have theretofore expired or otherwise been cancelled shall become immediately exercisable in full and shall, to the extent not theretofore exercised, terminate upon the earlier to occur of the expiration of one year after the date of the qualification of a representative of his or her estate and the date of termination specified in such Option.

E. For purposes of the foregoing, the term "cause" shall mean: (i) the commission by a Participant of any act or omission that would constitute a felony under federal, state or equivalent foreign law, (ii) the commission by a Participant of any act of moral turpitude, (iii) disloyalty, fraud, dishonesty, embezzlement, theft, disclosure of trade secrets or confidential information or other acts or omissions that result in a breach of any fiduciary or other material duty to the Company and/or the Subsidiaries or (iv) continued alcohol or other substance abuse that renders a Participant incapable of performing his or her material duties to the satisfaction of the Company and/or the Subsidiaries.

F. Notwithstanding the foregoing and to the extent not resulting in any liability under Section 409A of the Code, the exercise period following a termination described in subsection (A), (B), (C) or (D) above shall be tolled for any applicable window/blackout period restrictions under the Company's insider trading policy, provided that in no event shall such exercise period extend beyond the later of (i) the date the exercise period would have otherwise expired under subsections (A), (B), (C) or (D), as applicable, and (ii) the date that is 30 days after the date the exercise of the Option would no longer violate the Company's policies and procedures regarding insider trading under applicable securities laws.

13. Adjustment of Number of Shares.

In the event of any Company stock dividend, stock split, combination or exchange of shares, recapitalization or other change in the capital structure of the Company, corporate separation or division of the Company (including, but not limited to, a split-up, spin-off, split-off or other distribution to Company stockholders, other than a normal or special cash dividend), sale by the Company of all or a substantial portion of its assets (measured on either a stand-alone or consolidated basis), reorganization, rights offering, partial or complete liquidation, merger or consolidation in which the Company is the surviving corporation, or any other corporate transaction or other event involving the Company and having an effect similar to any of the foregoing, the Committee shall make such substitution or adjustments in the (a) number and kind of shares or other property, including cash, subject to outstanding Options, (b) exercise price of outstanding Options and (c) other characteristics or terms of the Options, as necessary or appropriate to equitably reflect such corporate transaction or other event and to prevent dilution or enlargement of Participants' rights under the Plan; *provided, however*, that the number of shares subject to any Option shall always be a whole number; and *provided, further,* that, with respect to Incentive Stock Options, such adjustment shall be made in accordance with Section 424 of the Code.

14. Purchase for Investment, Withholding and Waivers.

A. Unless the shares to be issued upon the exercise of an Option by a Participant shall be registered prior to the issuance thereof under the Securities Act of 1933, as amended, such Participant will, as a condition of the Company's obligation to issue such shares, be required to give a representation in writing that he or she is acquiring such shares for his or her own account as an investment and not with a view to, or for sale in connection with, the distribution of any thereof.

B. In the event of the death of a Participant, a condition of exercising any Option shall be the delivery to the Company of such tax waivers and other documents as the Committee shall determine.

C. In the case of each non-incentive stock option, a condition of exercising the same shall be the entry by the person exercising the same into such arrangements with the Company with respect to withholding as the Committee may determine. A Participant may, in the discretion of the Committee and subject to such rules as the Committee may adopt, elect to satisfy his or her withholding obligation arising as a result of the exercise of a non-incentive option, in whole or in part, by electing to deliver to the Company shares of the Class A Common Stock (other than shares of the Class A Common Stock which were issued under the Company's 1995 Restricted Stock Plan as to which the restrictions have not lapsed) having a fair market value, determined as of the date that the amount to be withheld is determined, equal to the amount required to be so withheld. Such Participant shall pay the Company in cash for any fractional share that would otherwise be required to be delivered.

15. No Shareholder Status.

Neither any Participant nor his or her legal representatives, legatees or distributees shall be or be deemed to be the holder of any share of the Class A Common Stock covered by an Option unless and until a certificate for such share has been issued. Upon payment of the purchase price thereof, a share issued upon exercise of an Option shall be fully paid and non-assessable.

16. No Restrictions on Corporate Acts.

Neither the existence of the Plan nor any Option shall in any way affect the right or power of the Company or its shareholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Class A Common Stock or the rights thereof, or dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding whether of a similar character or otherwise.

17. Options Granted in Connection With Acquisitions.

If the Committee determines that, in connection with the acquisition by the Company or a Subsidiary of another corporation which will become a Subsidiary or division of the Company or a Subsidiary (such corporation being hereafter referred to as an "Acquired Subsidiary"), Options may be granted hereunder to employees and other personnel of an Acquired Subsidiary in exchange for then outstanding options to purchase securities of the Acquired Subsidiary. Such Options may be granted at such option prices, may be exercisable immediately or at any time or times either in whole or in part, and may contain such other provisions not inconsistent with the Plan, or the requirements set forth in Section 20 that certain amendments to the Plan be approved by the shareholders of the Company, as the Committee, in its discretion, shall deem appropriate at the time of the granting of such Options.

18. Declining Market Price.

If the fair market value of the Class A Common Stock declines below the option price set forth in any Option, the Committee may, at any time, adjust, reduce, cancel and regrant any unexercised Option or take any similar action it deems to be for the benefit of the Participant in light of the declining fair market value of the Class A Common Stock; *provided*, *however*, that none of the foregoing actions may be taken without the prior approval of the Board and none of the foregoing actions may be taken with respect to a Non-Employee Director's Formula Option.

19. No Employment or Service Right.

Neither the existence of the Plan nor the grant of any Option shall require the Company or any Subsidiary to continue any Participant in the employ of the Company or such Subsidiary or require the Company to continue any Participant as a director of the Company.

20. Termination and Amendment of the Plan.

The Board may at any time terminate the Plan or make such modifications of the Plan as it shall deem advisable; provided, however, that to the extent required by applicable laws or the rules of the New York Stock Exchange or such other exchange on which the Company's securities shall be listed or traded, any such modification or termination shall be subject to the approval of the shareholders of the Company; and provided further, however, the provisions of the Plan governing the grant of Non-Employee Director's Formula Options may not be amended except by the vote of a majority of the members of the Board and by the vote of a majority of the members of the Board who are employees of the Company or a Subsidiary. Except as otherwise provided in Section 13, no termination or amendment of the Plan may, without the consent of the Participant to whom any Option shall theretofore have been granted, adversely affect the rights of such Participant under such Option.

21. Expiration and Termination of the Plan.

The Plan shall terminate on September 19, 2011 or at such earlier time as the Board may determine. Options may be granted under the Plan at any time and from time to time prior to its termination. Any Option outstanding under the Plan at the time of the termination of the Plan shall remain in effect until such Option shall have been exercised or shall have expired in accordance with its terms.

Exhibit 10.04

MSC INDUSTRIAL DIRECT CO., INC.

AMENDED AND RESTATED ASSOCIATE STOCK PURCHASE PLAN

(As amended and restated effective December 20, 2012)

The following are the provisions of the Amended and Restated MSC Industrial Direct Co., Inc. Associate Stock Purchase Plan (the "Plan").

1. Purpose.

The purpose of the Plan is to provide Associates of MSC Industrial Direct Co., Inc. (the "Company") and its Subsidiaries with an opportunity to purchase shares of the Company's Class A Common Stock. The Plan is intended to qualify as an "employee stock purchase plan" under Section 423 of the Code. The provisions of the Plan will be construed so as to extend and limit participation consistent with the requirements of the Code.

2. Definitions.

(a) "Associate" shall mean any person, including an officer, who is customarily employed by the Company or one of its Designated Subsidiaries, for at least twenty (20) hours per week and more than five (5) months in a calendar year.

(b) "Board" shall mean the Board of Directors of the Company.

(c) "Class A Common Stock" shall mean the Class A Common Stock, $.001 par value, of the Company.

(d) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(e) "Compensation" shall mean all regular straight time gross earnings and commissions, and shall include payments for overtime, shift premium, incentive compensation, incentive payments, bonuses and other compensation.

(f) "Continuous Status as an Associate" shall mean the absence of any interruption or termination of service as an Associate. Continuous Status as an Associate shall not be considered interrupted in the case of a leave of absence agreed to in writing by the Company or a Subsidiary, provided that such leave is for a period of not more than 90 days or re-employment upon the expiration of such leave is guaranteed by contract or statute.

(g) "Contributions" shall mean all amounts credited to the account of a participant pursuant to the Plan.

(h) "Designated Subsidiaries" shall mean the Subsidiaries which have been designated by the Board in its sole discretion as eligible to participate in the Plan.

(i) "Exercise Date" shall mean the last business day of each Offering Period of the Plan.

(j) "Fair Market Value" shall mean as of any date (i) the closing sale price of the Class A Common Stock on the New York Stock Exchange on such date or, if such day is not a business day, as of the immediately preceding business day, (ii) if there is no sale of the Class A Common Stock on such Exchange on such business day, the average of the bid and asked prices on such Exchange at the close of the market on such business day, and (iii) if the Class A Common Stock is no longer traded on such Exchange, as determined by the Board in its reasonable discretion.

(k) "Offering Date" shall mean the first day of each Offering Period of the Plan.

(l) "Offering Period" shall mean a period of three (3) months commencing on the following dates of each year except as otherwise determined by the Company:

(i) November 1,

(ii) February 1,

(iii) May 1, and

(iv) August 1.

(m) "Purchase Price" shall mean 90% of the Fair Market Value of the Class A Common Stock on the Exercise Date, unless otherwise determined by the Board in its discretion. Subject to Section 19 hereof, the Board may from time to time, in its discretion and without shareholder approval, change the method for calculating the Purchase Price, provided that the Purchase Price may not be less than the lesser of (a) 85% of the Fair Market Value of the Company's Class A Common Stock on the Offering Date and (b) 85% of the Fair Market Value on the Exercise Date.

(n) "Subsidiary" shall mean a corporation, domestic or foreign, of which not less than 50% of the voting shares are held by the Company or a Subsidiary, whether or not such corporation now exists or is hereafter organized or acquired by the Company or a Subsidiary.

3. Eligibility.

(a) All Associates are eligible to participate in such Offering Period under the Plan commencing on the first day of the month following the completion of both the month in which he or she was hired and the next full calendar month, subject to the requirements of Section 5 and the limitations imposed by Section 423(b) of the Code.

(b) An Associate shall not be granted an option under the Plan, if:

(i) immediately after the grant, the Associate (or any other person whose stock would be attributed to such Associate pursuant to Section 424(d) of the Code) would own shares and/or hold outstanding options to purchase shares possessing five percent (5%) or more of the total combined voting power or value of all classes of shares of the Company; or

(ii) the rate of withholding under such option would permit the Associate's rights to purchase shares under all "employee stock purchase plans" (described in Section 423 of the Code) of the Company and its Subsidiaries to accrue (i.e., become exercisable) at a rate which exceeds Twenty-Five Thousand Dollars ($25,000) of Fair Market Value of such shares (determined at the time such option is granted) for each calendar year in which such option is outstanding at any time.

4. Offering Periods.

(a) The Plan shall be implemented by consecutive Offering Periods with a new Offering Period to begin on or about November 1, February 1, May 1 and August 1 of each year (or at such other time or times as may be determined by the Board). The first Offering Period shall begin on November 1, 1998.

(b) The Board will have the power to change the duration and/or the frequency of an Offering Period with respect to any future offerings without shareholder approval if such change is announced at least fifteen (15) days prior to the scheduled beginning of the first Offering Period to be affected.

5. Participation.

(a) An eligible Associate may become a participant in the Plan by completing a subscription agreement provided by the Company, designating a percentage, between one percent (1%) and fifteen percent (15%) of such Associate's Compensation, to be withheld as a payroll deduction and paid as his or her Contribution to the Plan, and submitting the subscription agreement to the Company's human resources department, or such other person or group as designated by the Company, prior to the applicable Offering Date. Once enrolled, the Associate shall remain enrolled in each subsequent Offering Period of the Plan at the designated payroll deduction unless the Associate withdraws from an Offering Period by providing the Company with a written notice of withdrawal in accordance with Section 10 or files a new subscription agreement prior to the applicable Offering Date changing the Associate's designated payroll deduction.

(b) Payroll deductions begin on the first payroll date during the applicable Offering Period and end on the last payroll date on or prior to the Exercise Date of the Offering Period to which the subscription agreement is applicable, unless sooner terminated by the participant as provided in Section 10.

6. Method of Payment of Contributions.

(a) Payroll deductions shall be made on each payroll date during the Offering Period in an amount between one percent (1%) and fifteen percent (15%) (in whole number increments) of a participant's Compensation on each such payroll date.

(b) All payroll deductions made by a participant will be credited to his or her account under the Plan.

(c) A participant may not make any additional payments into the account.

(d) A participant may discontinue his or her participation in the Plan as provided in Section 10, or may change the rate of his or her payroll deduction during an Offering Period by completing and filing with the Company a new authorization for payroll deduction, provided that the Board may, in its discretion, impose reasonable and uniform restrictions on a participant's ability to change the rate of payroll deductions. The change in rate shall be effective no later than fifteen (15) days following the Company's receipt of the new authorization. A participant may decrease or increase the amount of his or her payroll deductions as of the beginning of an Offering Period by completing and filing with the Company, at least fifteen (15) days prior to the beginning of such Offering Period, a new payroll deduction authorization.

(e) Notwithstanding the foregoing, to the extent necessary, but only to such extent, to comply with Section 423(b)(8) of the Code and Section 3(b) herein, a participant's payroll deductions may be automatically decreased to zero percent (0%) at any time during any Offering Period. Payroll deductions shall commence at the rate provided in such participant's subscription agreement at the beginning of the next succeeding Offering Period, unless terminated by the participant as provided in Section 10.

7. Grant of Option.

(a) An eligible Associate participating in an Offering Period may purchase shares of the Company's Class A Common Stock on the Exercise Date with the Contributions accumulated on or prior to such Exercise Date.

(b) The number of whole and fractional shares to be purchased on the Exercise Date shall be determined by dividing the Purchase Price into the Contributions accumulated in the participant's account as of the Exercise Date.

(c) The maximum number of shares of the Class A Common Stock which may be purchased during each Offering Period by a participant shall not exceed 5,000 shares, and the purchase is subject to the limitations set forth in Sections 3(b) and 12.

8. Exercise of Option.

(a) Unless a participant withdraws from the Plan as provided in Section 10, the Associate's option for the purchase of shares will be exercised automatically on the Exercise Date of each Offering Period.

(b) The maximum number of whole and fractional shares will be determined based on the Purchase Price and the accumulated Contributions in the participant's account.

(c) The shares purchased will be issued to the participant as promptly as practicable after the Exercise Date.

(d) The option to purchase shares hereunder is exercisable only by the participant.

(e) Notwithstanding anything in the Plan to the contrary, any shares acquired by a participant hereunder after the first Offering Date subsequent to January 6, 2004 may not be assigned, transferred, pledged or otherwise disposed of in any way by the participant for a period of forty-five (45) days (or such other longer or shorter time period (including 0 days) as may be established by the Board in its sole discretion) following the date on which the participant acquired such shares as a result of the exercise of such participant's option.

9. Delivery.

As promptly as practicable after the Exercise Date of each Offering Period, the Company shall arrange the delivery of shares to each participant by means of direct deposit into the participant's brokerage account.

10. Voluntary Withdrawal; Termination of Employment.

(a) A participant may withdraw all, but not less than all, of the payroll deductions credited to his or her account and not yet used to exercise his or her option under the Plan at any time prior to an Exercise Date by giving written notice to the Company on a form provided for such purpose. If the participant withdraws from an Offering Period, all of the participant's payroll deductions credited to his or her account will be paid to the participant as promptly as practicable after receipt of the notice of withdrawal, his or her option for such Offering Period will be automatically canceled, and no further payroll deductions for the purchase of shares will be made during such Offering Period or subsequent Offering Periods, except pursuant to a new subscription agreement filed in accordance with Section 5 hereof.

(b) Upon termination of the participant's Continuous Status as an Associate prior to an Exercise Date of an Offering Period for any reason, including retirement or death, the payroll deductions accumulated in his or her account will be returned to him or her as promptly as practicable after such termination or, in the case of death, to the person or persons entitled thereto under Section 14, his or her option will be automatically canceled and he or she will be deemed to have elected to withdraw from the Plan.

(c) A participant's withdrawal from an Offering Period will not have any effect upon his or her eligibility to participate in a succeeding Offering Period or in any similar plan that may hereafter be adopted by the Company; provided, that the Board may, in its discretion and subject to compliance with Section 423 of the Code (or any successor rule or provision or any applicable law or regulation), impose reasonable and uniform restrictions on a participant's ability to participate in succeeding Offering Periods.

11. Interest.

No interest shall accrue on the Contributions of a participant in the Plan.

12. Stock.

(a) The maximum number of shares of the Company's Class A Common Stock made available for sale under the Plan is 1,150,000 and is subject to adjustment upon changes in the capitalization of the Company.

(b) If the total number of shares subject to options granted exceeds the number of shares available under the Plan, the Company will make a pro rata allocation of the shares remaining available for option grant in a practical and equitable manner. A written notice will be distributed to each Associate stating the reduction of the number of shares due to the adjustment and the corresponding reduction in the Contribution.

(c) The participant will have no interest or voting right in shares covered by his or her option until such option has been exercised.

(d) Shares to be delivered to a participant under the Plan will be registered in the name of the participant.

13. Administration.

The Board, or a committee appointed by the Board, will:

(a) Supervise and administer the Plan and will have full power to adopt, amend and rescind any rules deemed desirable and appropriate and consistent for the administration of the Plan.

(b) Construe and interpret the Plan in its sole and absolute discretion, and make all other determinations necessary or advisable for the administration of the Plan.

14. Designation of Beneficiary.

(a) A participant may file a written designation of a beneficiary who is to receive cash, if any, from the participant's account under the Plan in the event of such participant's death.

(b) Designation of a beneficiary may be changed by the participant at any time by written notice.

(c) In the event of the death of a participant and in the absence of a beneficiary validly designated under the Plan who is living at the time of such participant's death, the Company will deliver the cash to the executor or administrator of the estate of the participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), then the Company, in its discretion, may deliver the cash to the spouse or to any one or more dependents or relatives of the participant.

15. Transferability.

a) Neither Contributions credited to a participant's account nor any rights with regard to an option to purchase shares under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (except as provided in Section 14).

b) Any such attempt at assignment, transfer, pledge or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw funds in accordance with Section 10.

16. Use of Funds.

All Contributions received or held by the Company under the Plan may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate such Contributions.

17. Reports.

An individual Account Statement will be given to participating Associates promptly following each Exercise Date. The Account Statement will report:

(a) amount of Contributions,

(b) per share Purchase Price,

(c) number of shares purchased, and

(d) remaining cash balance (if any).

18. Adjustments Upon Changes in Capitalization; Corporate Transactions.

In the event of any Company stock dividend, stock split, combination or exchange of shares, recapitalization or other change in the capital structure of the Company, corporate separation or division of the Company (including, but not limited to, a split-up, spin-off, split-off or other distribution to Company stockholders, other than a normal or special cash dividend), sale by the Company of all or a substantial portion of its assets (measured on either a stand-alone or consolidated basis), reorganization, rights offering, partial or complete liquidation, merger or consolidation in which the Company is the surviving corporation, or any other corporate transaction or other event involving the Company and having an effect similar to any of the foregoing, the Board shall make such substitution or adjustments in the (a) number and kind of shares or other property, including cash, subject to outstanding options, (b) Purchase Price for outstanding options and (c) other characteristics or terms of the options, as necessary or appropriate to equitably reflect such corporate transaction or other event and to prevent dilution or enlargement of participants' rights under the Plan; *provided, however*, that the number of shares subject to any option shall always be a whole number.

In the event of the dissolution or liquidation of the Company, or a merger, reorganization or consolidation in which the Company is not the surviving corporation, the Board, in its discretion, may accelerate the exercise of each option and/or terminate the same within a reasonable time thereafter.

19. Amendment or Termination.

The Board may at any time terminate or amend the Plan in whole or part. Except as provided in Section 18 or as necessary to comply with applicable law, stock exchange rules or accounting rules, no such termination may affect options to purchase shares previously granted, nor may an amendment make any change in any option which has been granted which adversely affects the rights of any participant. In addition, to the extent necessary to comply with Section 423 of the Code (or any successor rule or provision or any applicable law or regulation), the Company shall obtain shareholder approval in such manner as required.

20. Notices. All notices or other communications by a participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

21. Conditions Upon Issuance of Shares.

(a) Shares shall not be issued with respect to an option to purchase, unless the exercise of such option and the issuance and delivery of such shares pursuant thereto shall comply with all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the shares may then be listed.

(b) As a condition to the exercise of an option, the Company may require the person exercising such option to represent and warrant at the time of any such exercise that the shares are being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned applicable provisions of law.

(c) Each participant agrees, by entering the Plan, to promptly give the Company notice of any disposition of shares purchased under the Plan where such disposition occurs within two (2) years after the date of grant of the option pursuant to which such shares were purchased.

22. Term of Plan; Effective Date.

The Plan shall continue in effect for a term of ten (10) years from November 1, 2008, unless sooner terminated under Section 19. Continuance of the Plan shall be subject to approval by the shareholders of the Company no later than October 16, 2009. Such shareholder approval shall be obtained in the manner required under the New York Business Corporation Law.

23. <u>No Rights to Continued Employment</u>.

Neither this plan, nor the grant of any option hereunder, shall confer any right on any Associate or restrict the right of the Company or any Subsidiary to terminate such Associate's employment or service to the Company or such Subsidiary.

24. <u>Responsibility</u>.

Neither the Company, the Board, any Subsidiary, nor any director, officer or employee of the Company or any Subsidiary shall be liable to any Associate under the Plan for any mistake of judgment or omission or wrongful act unless resulting from willful misconduct or intentional misfeasance.

25. <u>Governing Law</u>.

The validity, construction and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the internal laws of the State of New York and any applicable United States federal laws.

EXHIBIT 31.1

CERTIFICATION

I, Erik Gershwind, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MSC Industrial Direct Co., Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant' s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter (the registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and
5. The registrant' s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting.

Date: January 10, 2013

/s/ ERIK GERSHWIND

Erik Gershwind
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Jeffrey Kaczka, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MSC Industrial Direct Co., Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant' s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter (the registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and

5. The registrant' s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting.

Date: January 10, 2013

/s/ JEFFREY KACZKA

Jeffrey Kaczka
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of MSC Industrial Direct Co., Inc. (the "Company") for the fiscal quarter ended December 1, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Erik Gershwind, Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 10, 2013

By: /s/ ERIK GERSHWIND

Name: Erik Gershwind
President and Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to MSC Industrial Direct Co., Inc. and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of MSC Industrial Direct Co., Inc. (the "Company") for the fiscal quarter ended December 1, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeffrey Kaczka, Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 10, 2013

By: /s/ JEFFREY KACZKA

Name: Jeffrey Kaczka
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to MSC Industrial Direct Co., Inc. and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.

Stock-Based Compensation (Non-Vested Restricted Share Award Activity) (Details) (Restricted Stock [Member], USD $) In Thousands, except Per Share data, unless otherwise specified	3 Months Ended Dec. 01, 2012
Restricted Stock [Member]	
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]	
Non-vested restricted share awards at September 1, 2012, Shares	535
Granted, Shares	121
Vested, Shares	(141)
Canceled/Forfeited, Shares	(3)
Non-vested restricted share awards at December 1, 2012, Shares	512
Non-vested restricted share awards at September 1, 2012, Weighted-Average Grant-Date Fair Value	$ 52.37
Granted, Weighted-Average Grant-Date Fair Value	$ 69.46
Vested, Weighted-Average Grant-Date Fair Value	$ 43.59
Canceled/Forfeited, Weighted-Average Grant-Date Fair Value	$ 53.72
Non-vested restricted share awards at December 1, 2012, 2012, Weighted-Average Grant-Date Fair Value	$ 58.81

Basis Of Presentation	3 Months Ended Dec. 01, 2012
Basis Of Presentation [Abstract]	
Basis Of Presentation	**Note 1. Basis of Presentation** The accompanying condensed consolidated financial statements include MSC Industrial Direct Co., Inc. ("MSC") and all of its subsidiaries (hereinafter referred to collectively as the "Company"). All intercompany balances and transactions have been eliminated in consolidation. The unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation (consisting of normal recurring adjustments) have been included. Operating results for the thirteen week period ended December 1, 2012 are not necessarily indicative of the results that may be expected for the fiscal year ending August 31, 2013. For further information, refer to the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended September 1, 2012. The Company's fiscal year ends on the Saturday closest to August 31 of each year. Unless the context requires otherwise, references to years contained herein pertain to the Company's fiscal year. The Company's 2013 fiscal year will be a 52-week accounting period that will end on August 31, 2013 and the 2012 fiscal year was a 53-week accounting period that ended on September 1, 2012.

Product Warranties (Details)	3 Months Ended Dec. 01, 2012
Minimum [Member]	
Product warranties with original equipment manufacturers	30 days
Maximum [Member]	
Warranty period	1 year
Product warranties with original equipment manufacturers	90 days

Shareholders' Equity (Details) (USD $) In Thousands, except Per Share data, unless otherwise specified	3 Months Ended		
	Dec. 01, 2012	Nov. 26, 2011	Dec. 06, 2012
Components Of Shareholders Equity [Line Items]			
Cash dividends	$ 18,907	$ 15,746	
Dividend declared, per share			$ 0.30
Dividend payable date	Dec. 27, 2012		
Dividend record date	Dec. 17, 2012		
Dividend payout	18,948		
Class A common stock shares repurchase amount	3,506		
MSC Stock Repurchase Plan [Member]			
Components Of Shareholders Equity [Line Items]			
Class A common stock shares repurchased	49		
Class A common stock shares repurchase amount	$ 3,506		
Maximum number of shares that may yet be repurchased	4,384		

Condensed Consolidated Statements Of Cash Flows (USD $) In Thousands, unless otherwise specified	3 Months Ended	
	Dec. 01, 2012	Nov. 26, 2011
Cash Flows from Operating Activities:		
Net income	$ 63,187	$ 59,837
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,021	7,823
Stock-based compensation	4,253	3,828
Loss on disposal of property, plant, and equipment	60	1
Provision for doubtful accounts	1,116	1,541
Deferred income taxes and tax uncertainties		4,195
Excess tax benefits from stock-based compensation	(3,451)	(2,784)
Changes in operating assets and liabilities, net of amounts associated with business acquired:		
Accounts receivable	7,931	(5,442)
Inventories	5,915	(16,131)
Prepaid expenses and other current assets	(4,161)	(3,775)
Other assets	1,073	1,942
Accounts payable and accrued liabilities	3,425	(4,843)
Total adjustments	26,182	(13,645)
Net cash provided by operating activities	89,369	46,192
Cash Flows from Investing Activities:		
Expenditures for property, plant and equipment	(16,993)	(8,271)
Cash used in business acquisitions, net of cash received		(1,246)
Net cash used in investing activities	(16,993)	(9,517)
Cash Flows from Financing Activities:		
Purchases of treasury stock	(3,506)	(3,331)
Payments of cash dividends	(18,907)	(15,746)
Payments on capital lease and financing obligations	(279)	(136)
Excess tax benefits from stock-based compensation	3,451	2,784
Proceeds from sale of Class A common stock in connection with associate stock purchase plan	863	739
Proceeds from exercise of Class A common stock options	11,024	10,567
Borrowings under financing obligations		814
Net cash used in financing activities	(7,354)	(4,309)
Effect of foreign exchange rate changes on cash and cash equivalents	31	(91)
Net increase in cash and cash equivalents	65,053	32,275
Cash and cash equivalents-beginning of period	168,453	95,959
Cash and cash equivalents-end of period	233,506	128,234
Supplemental Disclosure of Cash Flow Information:		
Cash paid for income taxes	5,999	6,602
Cash paid for interest	$ 5	

Condensed Consolidated Balance Sheets (USD $) In Thousands, unless otherwise specified	Dec. 01, 2012	Sep. 01, 2012
Current Assets:		
Cash and cash equivalents	$ 233,506	$ 168,453
Accounts receivable, net of allowance for doubtful accounts of $XXX and $6,934, respectively	288,288	297,215
Inventories	387,615	393,412
Prepaid expenses and other current assets	33,480	29,313
Deferred income taxes	31,718	31,718
Total current assets	974,607	920,111
Property, plant and equipment, net	187,615	174,597
Goodwill	289,124	289,124
Identifiable intangibles, net	48,546	51,212
Other assets	8,061	9,832
Total assets	1,507,953	1,444,876
Current Liabilities:		
Current maturities of capital lease and financing obligations	1,082	1,007
Accounts payable	84,119	96,640
Accrued liabilities	87,834	72,868
Total current liabilities	173,035	170,515
Capital lease obligations, net of current maturities	2,243	2,189
Deferred income taxes and tax uncertainties	85,061	85,061
Total liabilities	260,339	257,765
Commitments and Contingencies		
Shareholders' Equity:		
Preferred stock; $0.001 par value; 5,000,000 shares authorized; none issued and outstanding		
Additional paid-in capital	502,713	483,682
Retained earnings	1,015,187	970,965
Accumulated other comprehensive loss	(2,174)	(2,443)
Class A treasury stock, at cost, XX and 5,342,091 shares, respectively	(268,180)	(265,162)
Total shareholders' equity	1,247,614	1,187,111
Total liabilities and shareholders' equity	1,507,953	1,444,876
Class A Common Stock [Member]		
Shareholders' Equity:		
Common stock	53	53
Class B Common Stock [Member]		
Shareholders' Equity:		
Common stock	$ 15	$ 16

Condensed Consolidated Statement Of Shareholders' Equity (USD $) In Thousands	Class A Common Stock [Member] Common Stock [Member]	Class A Common Stock [Member] Retained Earnings [Member]	Class A Common Stock [Member]	Class B Common Stock [Member] Common Stock [Member]	Class B Common Stock [Member] Retained Earnings [Member]	Class B Common Stock [Member]	Additional Paid-In Capital [Member]	Retained Earnings [Member]	Accumulated Other Comprehensive Loss [Member]	Class A Treasury Stock [Member]	Total
Balance, Value at Sep. 01, 2012	$ 53			$ 16			$ 483,682	$ 970,965	$ (2,443)	$ (265,162)	$ 1,187,111
Balance, Shares at Sep. 01, 2012	52,582			15,560						5,342	
Exchange of Class B common stock for Class A common stock, Shares	510			(510)							
Exchange of Class B common stock for Class A common stock				(1)							(1)
Exercise of common stock options, including income tax benefits of $3,321, Shares	268										
Exercise of common stock options, including income tax benefits of $3,321, Value							14,345				14,345
Common stock issued under associate stock purchase plan, Shares										(13)	
Common stock issued under associate stock purchase plan, Value							375			488	863
Grant of restricted common stock, net of cancellations, Shares	118										
Stock-based compensation							4,253				4,253
Purchase of treasury stock, Shares										49	
Purchase of treasury stock, Value										(3,506)	(3,506)
Cash dividends paid on common stock		(14,374)	(14,374)		(4,533)	(4,533)					
Issuance of dividend equivalent units							58	(58)			
Cumulative foreign currency translation adjustment									269		269
Net income								63,187			63,187
Balance, Value at Dec. 01, 2012	$ 53			$ 15			$ 502,713	$ 1,015,187	$ (2,174)	$ (268,180)	$ 1,247,614
Balance, Shares at Dec. 01, 2012	53,478			15,050						5,378	

Stock-Based Compensation (Narrative) (Details) (USD $) In Thousands, except Per Share data, unless otherwise specified			3 Months Ended					1 Months Ended	3 Months Ended	
	Dec. 01, 2012	Nov. 26, 2011	Dec. 01, 2012 Stock Options [Member]	Nov. 26, 2011 Stock Options [Member]	Dec. 01, 2012 Restricted Stock [Member]	Nov. 26, 2011 Restricted Stock [Member]	Sep. 01, 2012 Restricted Stock [Member]	Oct. 31, 2010 Restricted Stock Unit Agreement [Member] item	Dec. 01, 2012 Restricted Stock Unit Agreement [Member]	Nov. 26, 2011 Restricted Stock Unit Agreement [Member]
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]										
Stock-based compensation expense	$ 4,253	$ 3,828	$ 1,439	$ 1,444	$ 2,285	$ 1,855			$ 529	$ 529
Stock-based compensation expense, tax benefit			523	526						
Weighted-average grant-date fair values of the stock options granted			$ 15.31	$ 17.67						
Total intrinsic value of options exercised			8,223	6,447						
Unrecognized share-based compensation cost			$ 11,729		$ 20,481				$ 5,497	
Unrecognized share-based compensation weighted average period			1 year 10 months 24 days		2 years 6 months				2 years 10 months 24 days	
Number of shares granted			355					183		
Number of vesting installments								2		
Number of shares granted from RSU Agreement					121				1	
Weighted-average fair value of RSU granted					$ 69.46				$ 70.06	
Number of unvested RSU outstanding					512		535		193	
Weighted-average fair value of RSU outstanding					$ 58.81		$ 52.37		$ 54.97	

Stock-Based Compensation (Summary Of Stock Options) (Details) (USD $) In Thousands, except Per Share data, unless otherwise specified	3 Months Ended
	Dec. 01, 2012
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]	
Outstanding on September 1, 2012, Weighted-Average Exercise Price per Share	$ 49.79
Granted, Weighted-Average Exercise Price per Share	$ 69.46
Exercised, Weighted-Average Exercise Price per Share	$ 41.19
Outstanding on December 1, 2012, Weighted-Average Exercise Price per Share	$ 56.12
Exercisable on December 1, 2012, Weighted-Average Exercise Price per Share	$ 47.18
Outstanding on December 1, 2012, Weighted-Average Remaining Contractual Term	4 years 10 months 10 days
Exercisable on December 1, 2012, Weighted-Average Remaining Contractual Term	3 years 6 months 4 days
Outstanding on December 1, 2012, Aggregate Intrinsic Value	$ 24,203
Exercisable on December 1, Aggregate Intrinsic Value	$ 15,627
Stock Options [Member]	
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]	
Outstanding on September 1, 2012, Options	1,377
Granted, Options	355
Exercised, Options	(268)
Outstanding on December 1, 2012, Options	1,464
Exercisable on December 1, 2012, Options	613

Condensed Consolidated Statement Of Shareholders' Equity (Parenthetical) (USD $) In Thousands, unless otherwise specified	3 Months Ended Dec. 01, 2012
Condensed Consolidated Statement Of Shareholders' Equity [Abstract]	
Exercise of common stock options, income tax benefits	$ 3,321

Condensed Consolidated Balance Sheets (Parenthetical) (USD $) In Thousands, except Share data, unless otherwise specified	3 Months Ended Dec. 01, 2012	12 Months Ended Sep. 01, 2012
Accounts receivable, allowance for doubtful accounts		$ 6,934
Preferred stock, par value	$ 0.001	$ 0.001
Preferred stock, shares authorized	5,000,000	5,000,000
Preferred stock, shares issued	0	0
Preferred stock, shares outstanding	0	0
Class A treasury stock, shares		5,342,091
Class A Common Stock [Member]		
Common stock, voting rights	one vote per share	one vote per share
Common stock, par value	$ 0.001	$ 0.001
Common stock, shares authorized	100,000,000	100,000,000
Common stock, shares issued		52,581,838
Class B Common Stock [Member]		
Common stock, voting rights	ten votes per share	ten votes per share
Common stock, par value	$ 0.001	$ 0.001
Common stock, shares authorized	50,000,000	50,000,000
Common stock, shares issued		15,560,294
Common stock, shares outstanding		15,560,294

Legal Proceedings	3 Months Ended Dec. 01, 2012
Legal Proceedings [Abstract]	
Legal Proceedings	**Note 9. Legal Proceedings** There are various claims, lawsuits, and pending actions against the Company incidental to the operation of its business. Although the outcome of these matters is currently not determinable, management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on the Company's consolidated financial position, results of operations, or liquidity.

Document And Entity Information	3 Months Ended Dec. 01, 2012	Jan. 03, 2013 Class A Common Stock [Member]	Jan. 03, 2013 Class B Common Stock [Member]
Document Type	10-Q		
Amendment Flag	false		
Document Period End Date	Dec. 01, 2012		
Document Fiscal Year Focus	2013		
Document Fiscal Period Focus	Q1		
Entity Registrant Name	MSC INDUSTRIAL DIRECT CO INC		
Entity Central Index Key	0001003078		
Current Fiscal Year End Date	--08-31		
Entity Filer Category	Large Accelerated Filer		
Entity Common Stock, Shares Outstanding		48,349,404	14,800,294

Recently Issued Accounting Standards	3 Months Ended Dec. 01, 2012
Recently Issued Accounting Standards [Abstract]	
Recently Issued Accounting Standards	**Note 10. Recently Issued Accounting Standards** *Testing Indefinite-lived Intangible Assets for Impairment* In July 2012, the Financial Accounting Standards Board issued an accounting standard update which allows an entity the option to first assess qualitative factors to determine whether the existence of events and circumstances indicates that it is not more likely than not that the indefinite-lived intangible asset is impaired. An entity no longer will be required to perform the quantitative impairment test of indefinite-lived intangible assets, if after it assesses that the totality of events and circumstances, the entity concludes that it is not more likely than not that the indefinite-lived intangible asset is impaired. The guidance is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. The Company does not anticipate that the adoption of the new guidance will have any impact on its financial position, results of operations or cash flows.

Condensed Consolidated Statements Of Income (USD $) In Thousands, except Per Share data, unless otherwise specified	3 Months Ended	
	Dec. 01, 2012	Nov. 26, 2011
Condensed Consolidated Statements Of Income And Comprehensive Income [Abstract]		
Net sales	$ 577,491	$ 545,703
Cost of goods sold	312,402	293,570
Gross profit	265,089	252,133
Operating expenses	162,737	155,309
Income from operations	102,352	96,824
Other (Expense) Income:		
Interest expense	(52)	(46)
Interest income	43	50
Other expense, net	(16)	(4)
Total other expense	(25)	
Income before provision for income taxes	102,327	96,824
Provision for income taxes	39,140	36,987
Net income	$ 63,187	$ 59,837
Net income per common share:		
Basic	$ 1.01	$ 0.95
Diluted	$ 1.00	$ 0.95
Weighted average shares used in computing net income per common share:		
Basic	62,378	62,285
Diluted	62,701	62,627
Cash dividend declared per common share	$ 0.30	$ 0.25

Fair Value	3 Months Ended Dec. 01, 2012
Fair Value [Abstract]	
Fair Value	**Note 4. Fair Value** Fair value accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following fair value hierarchy prioritizes the inputs used to measure fair value into three levels, with Level 1 being of the highest priority. The three levels of inputs used to measure fair value are as follows: **Level 1** — Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets. **Level 2** — Include other inputs that are directly or indirectly observable in the marketplace. **Level 3** — Unobservable inputs which are supported by little or no market activity. As of December 1, 2012 and September 1, 2012, the Company measured cash equivalents consisting of money market funds at fair value on a recurring basis for which market prices are readily available (Level 1) and that invest primarily in United States government and government agency securities and municipal bond securities, which aggregated $164,837 and $104,529, respectively. The Company's financial instruments, other than those presented in the disclosure above, include cash, receivables, accounts payable, and accrued liabilities. Management believes the carrying amount of the aforementioned financial instruments is a reasonable estimate of fair value as of December 1, 2012 and September 1, 2012 due to the short-term maturity of these items. In addition, based on borrowing rates currently available to the Company for borrowings with similar terms, the carrying values of the Company's capital lease obligations also approximate fair value. During the thirteen weeks ended December 1, 2012 and November 26, 2011, the Company had no measurements of non-financial assets or liabilities at fair value on a non-recurring basis subsequent to their initial recognition.

Stock-Based Compensation

3 Months Ended
Dec. 01, 2012

Stock-Based Compensation [Abstract]

Stock-Based Compensation

Note 3. Stock-Based Compensation

The Company accounts for all share-based payments in accordance with ASC Topic 718, "Compensation — Stock Compensation" ("ASC 718"). The stock-based compensation expense related to the stock option plans and the Associate Stock Purchase Plan included in operating expenses was $1,439 and $1,444 for the thirteen week periods ended December 1, 2012 and November 26, 2011, respectively. Tax benefits related to these expenses for the thirteen week periods ended December 1, 2012 and November 26, 2011 were $523 and $526, respectively. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	Thirteen Weeks Ended	
	December 1, 2012	November 26, 2011
Expected life (in years)	3.8	4.8
Risk-free interest rate	0.55%	1.01%
Expected volatility	32.86%	35.20%
Expected dividend yield	1.70%	1.70%

A summary of the Company's stock option activity for the thirteen weeks ended December 1, 2012 is as follows:

	Options	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding on September 1, 2012	1,377	$ 49.79		
Granted	355	69.46		
Exercised	(268)	41.19		
Canceled	—	—		
Outstanding on December 1, 2012	1,464	$ 56.12	4.86	$ 24,203
Exercisable on December 1, 2012	613	$ 47.18	3.51	$ 15,627

The weighted-average grant-date fair values of the stock options granted for the thirteen week periods ended December 1, 2012 and November 26, 2011 were $15.31 and $17.67, respectively. The unrecognized share-based compensation cost related to stock option expense at December 1, 2012 was $11,729 and will be recognized over a weighted average period of 1.9 years. The total intrinsic value of options exercised, which represents the difference between the exercise price and market value of common stock measured at each individual exercise date, during the thirteen week periods ended December 1, 2012 and November 26, 2011 were $8,223 and $6,447, respectively.

A summary of the non-vested restricted share award activity under the Company's 2005 Omnibus Incentive Plan (the "Plan") for the thirteen weeks ended December 1, 2012 is as follows:

	Shares	Weighted- Average Grant-Date Fair Value
Non-vested restricted share awards at September 1, 2012	535	$ 52.37
Granted	121	69.46
Vested	(141)	43.59
Canceled/Forfeited	(3)	53.72
Non-vested restricted share awards at December 1, 2012	512	$ 58.81

Stock-based compensation expense recognized for the restricted share awards was $2,285 and $1,855 for the thirteen week periods ended December 1, 2012 and November 26, 2011, respectively. The unrecognized compensation cost related to restricted share awards granted under the Plan at December 1, 2012 was $20,481 and will be recognized over a weighted average period of 2.5 years.

In October 2010, the Compensation Committee of the Board of Directors of the Company approved the grant of a Restricted Stock Unit Award ("RSU Award") to the Company's former Chief Executive Officer in connection with an overall approach to succession planning. The RSU Award covers 183 shares and provides for vesting in two installments, contingent on both performance and service conditions of the RSU Award. The performance condition was satisfied based on fiscal year 2011 performance. The value of each restricted stock unit is equal to the fair market value of one share of the Company's Class A Common Stock on the date of the grant. All restricted stock units that vest, including dividend equivalent units on the vested portion of the grant, will be settled in shares of the Company. For the thirteen week period ended December 1, 2012, dividend equivalents covering 1 share were granted with a weighted average grant date fair value of $70.06. As of December 1, 2012, there were 193 unvested restricted stock units outstanding, with a weighted-average grant date fair value of $54.97 per underlying share.

Stock-based compensation expense recognized for the restricted stock units was $529 for each of the thirteen week periods ended December 1, 2012 and November 26, 2011. The unrecognized compensation cost related to the restricted stock units at December 1, 2012 was $5,497 and is expected to be recognized over a period of 2.9 years.

Stock-Based Compensation (Fair Value Of Options Granted Estimated Using Black-Scholes Option Pricing Model Assumptions) (Details)	3 Months Ended	
	Dec. 01, 2012	Nov. 26, 2011
Stock-Based Compensation [Abstract]		
Expected life	3 years 9 months 18 days	4 years 9 months 18 days
Risk-free interest rate		1.01%
Expected volatility		35.20%
Expected dividend yield		1.70%

Net Income Per Share (Tables)	3 Months Ended Dec. 01, 2012
Net Income Per Share [Abstract]	
Basic And Diluted Net Income Per Common Share Under The Two-Class Method	

	Thirteen Weeks Ended	
	December 1, 2012	November 26, 2011
Net income as reported	$ 63,187	$ 59,837
Less: Distributed net income available to participating securities	(117)	(119)
Less: Undistributed net income available to participating securities	(343)	(418)
Numerator for basic net income per share:		
Undistributed and distributed net income available to common shareholders	$ 62,727	$ 59,300
Add: Undistributed net income allocated to participating securities	343	418
Less: Undistributed net income reallocated to participating securities	(342)	(416)
Numerator for diluted net income per share:		
Undistributed and distributed net income available to common shareholders	$ 62,728	$ 59,302
Denominator:		
Weighted average shares outstanding for basic net income per share	62,378	62,285
Effect of dilutive securities	323	342
Weighted average shares outstanding for diluted net income per share	62,701	62,627
Net income per share Two-class method:		
Basic	$ 1.01	$ 0.95
Diluted	$ 1.00	$ 0.95

Product Warranties	3 Months Ended Dec. 01, 2012
Product Warranties [Abstract]	
Product Warranties	**Note 7. Product Warranties** The Company generally offers a maximum one-year warranty, including parts and labor, for some of its machinery products. The specific terms and conditions of those warranties vary depending upon the product sold. The Company may be able to recoup some of these costs through product warranties it holds with its original equipment manufacturers, which typically range from thirty to ninety days. In general, many of the Company's general merchandise products are covered by third party original equipment manufacturers' warranties. The Company's warranty expense for the thirteen week periods ended December 1, 2012 and November 26, 2011 was minimal.

Debt And Capital Lease Obligations	3 Months Ended Dec. 01, 2012
Debt And Capital Lease Obligations [Abstract]	
Debt And Capital Lease Obligations	**Note 5. Debt and Capital Lease Obligations** *Credit Facility* In June 2011, the Company entered into a $200,000 unsecured credit facility ("Credit Facility"). The Company has the right to increase the aggregate amount available to be borrowed under the Credit Facility by an additional $250,000, in $50,000 increments, subject to lending group approval. This Credit Facility will mature on June 8, 2016. Borrowings under the Credit Facility bear interest, at the Company's option either at (i) the LIBOR rate plus the applicable margin for LIBOR loans ranging from 1.00% to 1.25%, based on the Company's consolidated leverage ratio; or (ii) the greatest of (a) the Administrative Agent's prime rate in effect on such day, (b) the federal funds effective rate in effect on such day, plus 0.50% and (c) the LIBOR rate that would be calculated as of such day in respect of a proposed LIBOR loan with a one-month interest period, plus 1.0%, plus, in the case of each of clauses (a) through (c), an applicable margin ranging from 0% to 0.25%, based on the Company's consolidated leverage ratio. The applicable borrowing rate for the Company for any borrowings outstanding under the Credit Facility at December 1, 2012 was 1.2%, which represents LIBOR plus 1.0%. The Company is required to pay a quarterly undrawn fee ranging from 0.15% to 0.20% per annum on the unutilized portion of the Credit Facility, a quarterly letter of credit usage fee ranging between 1.00% to 1.25% on the amount of the daily average outstanding letters of credit, and a quarterly fronting fee of 0.125% per annum on the undrawn and unexpired amount of each letter of credit. The Credit Facility contains customary restrictions on the ability of the Company and its subsidiaries to incur debt, make investments, and engage in sales of assets and in fundamental corporate changes, among other restrictions. The Credit Facility also requires that the Company maintain a maximum consolidated leverage ratio of total indebtedness to EBITDA and a minimum consolidated interest coverage ratio of EBITDA to total interest expense during the term of the Credit Facility. Borrowings under the Credit Facility are guaranteed by certain of the Company's subsidiaries. As of December 1, 2012 and September 1, 2012, there were no borrowings outstanding under the Credit Facility other than letters of credit which were immaterial. At those dates, the Company was in compliance with the operating and financial covenants of the Credit Facility. *Capital Lease and Financing Obligations* From time to time, the Company enters into capital leases and financing arrangements to purchase certain equipment. The equipment acquired from these vendors is paid over a specified period of time based on the terms agreed upon. During the thirteen week period ended December 1, 2012, the Company entered into a capital lease for certain information technology equipment totaling $408. The amount due under all capital leases and financing arrangements at December 1, 2012 was approximately $3,325 of which $1,082 represents current maturities. The net book value of the property and equipment acquired under these capital leases and financing agreements at December 1, 2012 was approximately $4,239.

Shareholders' Equity	3 Months Ended Dec. 01, 2012
Shareholders' Equity [Abstract]	
Shareholders' Equity	**Note 6. Shareholders' Equity** The Company paid cash dividends of $18,907 for the thirteen weeks ended December 1, 2012. For the thirteen weeks ended November 26, 2011, the Company paid cash dividends of $15,746. On December 6, 2012, the Board of Directors declared an accelerated quarterly cash dividend of $0.30 per share payable on December 27, 2012 to shareholders of record at the close of business on December 17, 2012. This accelerated quarterly dividend was intended to be in lieu of the quarterly dividend which would have been payable in January 2013. This dividend resulted in a payout of $18,948. The Board of Directors established the MSC Stock Repurchase Plan (the "Plan") which allows the Company to repurchase shares at any time and in any increments it deems appropriate in accordance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended. During the thirteen week period ending December 1, 2012, the Company repurchased 49 shares of its Class A common stock for $3,506, which is reflected at cost as treasury stock in the accompanying condensed consolidated financial statements. These shares were repurchased by the Company to satisfy the Company's associates' tax withholding liability associated with its shares-based compensation program. As of December 1, 2012, the maximum number of shares that may yet be repurchased under the Plan was 4,384 shares.

Income Taxes	3 Months Ended Dec. 01, 2012
Income Taxes [Abstract]	
Income Taxes	**Note 8. Income Taxes** During the thirteen week periods ended December 1, 2012, there were no material changes in unrecognized tax benefits.

Net Income Per Share (Details) (USD $) In Thousands, except Share data, unless otherwise specified	3 Months Ended	
	Dec. 01, 2012	Nov. 26, 2011
Net Income Per Share [Abstract]		
Net income as reported	$ 63,187	$ 59,837
Less: Distributed net income available to participating securities	(117)	(119)
Less: Undistributed net income available to participating securities	(343)	(418)
Undistributed and distributed net income available to common shareholders, basic	62,727	59,300
Add: Undistributed net income allocated to participating securities	343	418
Less: Undistributed net income reallocated to participating securities	(342)	(416)
Undistributed and distributed net income available to common shareholders, diluted	$ 62,728	$ 59,302
Weighted average shares outstanding for basic net income per share	62,378,000	62,285,000
Effect of dilutive securities	323,000	342,000
Weighted average shares outstanding for diluted net income per share	62,701,000	62,627,000
Net income per share, Basic	$ 1.01	$ 0.95
Net income per share, Diluted	$ 1.00	$ 0.95
Antidilutive stock options	0	310

Fair Value (Details) (Fair Value, Inputs, Level 1 [Member], USD $) In Thousands, unless otherwise specified	**Dec. 01, 2012**	**Sep. 01, 2012**
Fair Value, Inputs, Level 1 [Member]		
Derivatives, Fair Value [Line Items]		
Cash equivalents, fair value	$ 164,837	$ 104,529

Consolidated Statements Of Comprehensive Income (USD $) In Thousands, unless otherwise specified	3 Months Ended	
	Dec. 01, 2012	Nov. 26, 2011
Consolidated Statements Of Comprehensive Income [Abstract]		
Net income, as reported	$ 63,187	$ 59,837
Cumulative foreign currency translation adjustment	269	(692)
Comprehensive income	$ 63,456	$ 59,145

Net Income Per Share

3 Months Ended
Dec. 01, 2012

Net Income Per Share [Abstract]

Net Income Per Share

Note 2. Net Income per Share

The following table sets forth the computation of basic and diluted net income per common share under the two-class method in accordance with Accounting Standards Codification™ ("ASC") Topic 260, "Earnings Per Share":

	Thirteen Weeks Ended	
	December 1, 2012	November 26, 2011
Net income as reported	$ 63,187	$ 59,837
Less: Distributed net income available to participating securities	(117)	(119)
Less: Undistributed net income available to participating securities	(343)	(418)
Numerator for basic net income per share:		
Undistributed and distributed net income available to common shareholders	$ 62,727	$ 59,300
Add: Undistributed net income allocated to participating securities	343	418
Less: Undistributed net income reallocated to participating securities	(342)	(416)
Numerator for diluted net income per share:		
Undistributed and distributed net income available to common shareholders	$ 62,728	$ 59,302
Denominator:		
Weighted average shares outstanding for basic net income per share	62,378	62,285
Effect of dilutive securities	323	342
Weighted average shares outstanding for diluted net income per share	62,701	62,627
Net income per share Two-class method:		
Basic	$ 1.01	$ 0.95
Diluted	$ 1.00	$ 0.95

Antidilutive stock options (of 0 and 310 shares at December 1, 2012 and November 26, 2011, respectively) were not included in the computation of diluted earnings per share.

Debt And Capital Lease Obligations (Details) (USD $) In Thousands, unless otherwise specified	3 Months Ended Dec. 01, 2012	Sep. 01, 2012	Jun. 30, 2011
Debt Instrument [Line Items]			
Unsecured credit facility			$ 200,000
Available increase in amount borrowed			250,000
Incremental payment of additional borrowings			50,000
Maturity date	Jun. 08, 2016		
Borrowing rate under Credit Facility	1.20%		
Quarterly fronting fee	0.125%		
Capital leases and financing obligations for certain information technology equipment entered into	408		
Amount due under all capital leases and financing agreements	3,325		
Current maturities of capital lease and financing obligations	1,082	1,007	
Property and equipment acquired under capital leases and financing agreements	$ 4,239		
LIBOR [Member]			
Debt Instrument [Line Items]			
Percentage points in addition to reference rate used in computation of variable rate on debt instrument	1.00%		
Federal Funds Effective Rate Plus [Member]			
Debt Instrument [Line Items]			
Percentage points in addition to reference rate used in computation of variable rate on debt instrument	0.50%		
One-Month Interest Period [Member] | LIBOR Interest Period Plus [Member]			
Debt Instrument [Line Items]			
Percentage points in addition to reference rate used in computation of variable rate on debt instrument	1.00%		
Minimum [Member]			
Debt Instrument [Line Items]			
Percentage points in addition to reference rate used in computation of variable rate on debt instrument	0.00%		
Quarterly undrawn fee	0.15%		
Quarterly letter of credit usage fees	1.00%		
Minimum [Member] | Alternate Base Rate [Member] | LIBOR [Member]			
Debt Instrument [Line Items]			
Percentage points in addition to reference rate used in computation of variable rate on debt instrument	1.00%		
Maximum [Member]			
Debt Instrument [Line Items]			

Percentage points in addition to reference rate used in computation of variable rate on debt instrument	0.25%
Quarterly undrawn fee	0.20%
Quarterly letter of credit usage fees	1.25%
Maximum [Member] | Alternate Base Rate [Member] | LIBOR [Member]	
Debt Instrument [Line Items]	
Percentage points in addition to reference rate used in computation of variable rate on debt instrument	1.25%

Stock-Based Compensation (Tables)	3 Months Ended Dec. 01, 2012

Stock-Based Compensation [Abstract]

Fair Value Of Options Granted Estimated Using Black-Scholes Option Pricing Model Assumptions

	Thirteen Weeks Ended	
	December 1, 2012	November 26, 2011
Expected life (in years)	3.8	4.8
Risk-free interest rate	0.55%	1.01%
Expected volatility	32.86%	35.20%
Expected dividend yield	1.70%	1.70%

Summary Of Stock Options

	Options	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding on September 1, 2012	1,377	$ 49.79		
Granted	355	69.46		
Exercised	(268)	41.19		
Canceled	—	—		
Outstanding on December 1, 2012	1,464	$ 56.12	4.86	$ 24,203
Exercisable on December 1, 2012	613	$ 47.18	3.51	$ 15,627

Non-Vested Restricted Share Award Activity

	Shares	Weighted- Average Grant-Date Fair Value
Non-vested restricted share awards at September 1, 2012	535	$ 52.37
Granted	121	69.46
Vested	(141)	43.59
Canceled/Forfeited	(3)	53.72
Non-vested restricted share awards at December 1, 2012	512	$ 58.81