

**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 September 30, 2002

OR

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

For the transition period from _____ to _____

Commission file number 0-21796

CDW Computer Centers, Inc.

(Exact name of registrant as specified in its charter)

Illinois

(State or other jurisdiction of
incorporation or organization)

36-3310735

(I.R.S. Employer
Identification No.)

200 N. Milwaukee Ave.

Vernon Hills, Illinois

(Address of principal executive offices)

60061

(Zip Code)

(847) 465-6000

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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 _____

Applicable only to issuers involved in bankruptcy proceedings during the preceding five years:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes _____ No _____

Applicable only to corporate issuers:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of November 8, 2002, 89,635,222 common shares were issued and 83,926,846 were outstanding.

CDW COMPUTER CENTERS, INC.

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Part 1. Financial Information
Item 1. Financial Statements

CDW COMPUTER CENTERS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	September 30, 2002	December 31, 2001
	(unaudited)	
Assets		
Current assets :		
Cash and cash equivalents	\$ 185,273	\$ 145,977
Marketable securities	283,619	248,404
Accounts receivable, net of allowance for doubtful accounts of \$10,500 and \$9,500 respectively	362,113	318,405
Merchandise inventory	126,600	119,117
Miscellaneous receivables	16,584	9,760
Deferred income taxes	9,040	9,040
Prepaid expenses	2,703	3,455
	<hr/>	<hr/>
Total current assets	985,932	854,158
Property and equipment, net	63,779	69,073
Investment in and advances to joint venture	5,875	5,382
Deferred income taxes and other assets	7,543	8,416
	<hr/>	<hr/>
Total assets	\$ 1,063,129	\$ 937,029
	<hr/> <hr/>	<hr/> <hr/>
Liabilities and Shareholders' Equity		
Current liabilities :		
Accounts payable	\$ 121,449	\$ 106,808
Accrued expenses :		
Compensation	29,539	28,113
Income taxes	31,692	7,847
Other	18,138	15,604
	<hr/>	<hr/>
Total current liabilities	200,818	158,372
	<hr/>	<hr/>
Shareholders' equity :		
Preferred shares, \$1.00 par value; 5,000 shares authorized; none issued	-	-
Common shares, \$.01 par value; 500,000 shares authorized; 89,138 and 88,466 shares issued, respectively	891	885
Paid-in capital	330,085	258,708
Retained earnings	761,002	621,299
Unearned compensation	(1,094)	(1,931)
Accumulated other comprehensive income	22	-
	<hr/>	<hr/>
	1,090,906	878,961
Less cost of common shares in treasury, 5,708 shares and 2,893 shares, respectively	(228,595)	(100,304)
	<hr/>	<hr/>
Total shareholders' equity	862,311	778,657
	<hr/>	<hr/>
Total liabilities and shareholders' equity	\$ 1,063,129	\$ 937,029
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of the consolidated financial statements.

CDW COMPUTER CENTERS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
Net sales	\$ 1,150,970	\$ 991,065	\$ 3,210,626	\$ 2,973,355
Cost of sales	993,930	857,091	2,786,175	2,576,639
Gross profit	157,040	133,974	424,451	396,716
Selling and administrative expenses	67,186	64,476	196,396	190,851
Net advertising expense	931	648	3,244	5,053
Income from operations	88,923	68,850	224,811	200,812
Interest income	2,188	3,138	7,239	10,081
Other expense, net	(377)	(228)	(1,136)	(534)
Income before income taxes	90,734	71,760	230,914	210,359
Income tax provision	35,840	28,525	91,211	83,618
Net income	<u>\$ 54,894</u>	<u>\$ 43,235</u>	<u>\$ 139,703</u>	<u>\$ 126,741</u>
Earnings per share				
Basic	<u>\$ 0.65</u>	<u>\$ 0.50</u>	<u>\$ 1.64</u>	<u>\$ 1.48</u>
Diluted	<u>\$ 0.63</u>	<u>\$ 0.49</u>	<u>\$ 1.57</u>	<u>\$ 1.42</u>
Weighted average number of common shares outstanding				
Basic	<u>84,206</u>	<u>85,843</u>	<u>85,212</u>	<u>85,924</u>
Diluted	<u>87,326</u>	<u>89,042</u>	<u>88,740</u>	<u>89,010</u>

The accompanying notes are an integral part of the consolidated financial statements.

CDW COMPUTER CENTERS, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
 (in thousands)
 (unaudited)

	Total Shareholders Equity	Common Shares	Paid-in Capital	Retained Earnings	Unearned Compensation	Treasury Shares	Accumulated Other Comprehensive Income	Comprehensive Income
Balance at December 31, 2001	\$ 778,657	\$ 885	\$ 258,708	\$ 621,299	\$ (1,931)	\$ (100,304)	\$ -	
MPK Restricted Stock Plan forfeitures	-		(22)		22			
Amortization of unearned compensation	815				815			
Exercise of stock options	9,339	6	9,333					
Tax benefit from stock option and restricted stock transactions	62,066		62,066					
Purchase of treasury shares	(128,291)					(128,291)		
Net income	139,703			139,703				\$ 139,703
Net unrealized gains on marketable securities	22						22	22
Comprehensive income								\$ 139,725
Balance at September 30, 2002	<u>\$ 862,311</u>	<u>\$ 891</u>	<u>\$ 330,085</u>	<u>\$ 761,002</u>	<u>\$ (1,094)</u>	<u>\$ (228,595)</u>	<u>\$ 22</u>	

The accompanying notes are an integral part of the consolidated financial statements.

CDW COMPUTER CENTERS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2002	2001
Cash flows from operating activities:		
Net income	\$ 139,703	\$ 126,741
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	11,836	11,204
Accretion of marketable securities	488	(363)
Stock-based compensation expense	815	1,517
Allowance for doubtful accounts	1,000	2,500
Deferred income taxes	1,382	996
Tax benefit from stock option and restricted stock transactions	62,066	53,130
Changes in assets and liabilities:		
Accounts receivable	(44,708)	(9,195)
Miscellaneous receivables and other assets	(7,054)	1,320
Merchandise inventory	(7,483)	(26,636)
Prepaid expenses	243	(673)
Prepaid income taxes	-	(21,837)
Accounts payable	6,474	74,446
Accrued compensation	1,426	1,004
Accrued income taxes and other expenses	26,379	(11,849)
Net cash provided by operating activities	192,567	202,305
Cash flows from investing activities:		
Purchases of available-for-sale securities	(1,092,473)	(1,449,656)
Redemptions of available-for-sale securities	1,183,625	1,303,362
Purchases of held-to-maturity securities	(227,801)	(51,845)
Redemptions of held-to-maturity securities	100,968	93,028
Investment in and advances to joint venture	(8,913)	(17,714)
Repayment of advances from joint venture	8,650	15,324
Purchase of property and equipment	(6,542)	(20,434)
Net cash used in investing activities	(42,486)	(127,935)
Cash flows from financing activities:		
Purchase of treasury shares (1)	(120,124)	(87,891)
Proceeds from exercise of stock options	9,339	5,602
Net cash used in financing activities	(110,785)	(82,289)
Net increase / (decrease) in cash	39,296	(7,919)
Cash and cash equivalents - beginning of period	145,977	43,664
Cash and cash equivalents - end of period	\$ 185,273	\$ 35,745

(1) The Company acquired \$8.2 and \$10.3 million of treasury shares in September 2002 and September 2001, respectively, for which cash settlement occurred in October 2002 and October 2001, respectively. Accordingly, the Company has excluded these non-cash items from both the "Purchase of treasury shares" and "Accounts payable" amounts presented above.

The accompanying notes are an integral part of the consolidated financial statements.

CDW COMPUTER CENTERS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. *Description of Business*

CDW Computer Centers, Inc. (collectively with its subsidiaries, the "Company" or "CDW") is the largest direct marketer of multi-brand computers and related technology products and services in the United States. Our primary business is conducted from a combined corporate office and distribution center located in Vernon Hills, Illinois, sales offices in Mettawa and Chicago, Illinois and a sales office in Lansdowne, Virginia. Subsequent to September 30, 2002, the Company discontinued use of its Buffalo Grove, Illinois sales office, because sales staff were relocated to the Mettawa office. Additionally, we market and sell products through www.cdw.com and www.cdwg.com, our Internet sites.

We extend credit to corporate and public sector customers under certain circumstances based upon the financial strength of the customer. Such customers are typically granted net 30 day credit terms. Payment for the balance of our sales are made primarily through third party credit cards.

2. *Summary of Significant Accounting Policies*

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States. Such principles were applied on a basis consistent with those reflected in the 2001 Annual Report on Form 10-K and documents incorporated therein as filed with the Securities and Exchange Commission. The accompanying financial data should be read in conjunction with the notes to consolidated financial statements contained in the 2001 Annual Report on Form 10-K and documents incorporated therein. In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting solely of normal recurring accruals) necessary to present fairly our financial position as of September 30, 2002 and December 31, 2001, the results of operations for the three and nine month periods ended September 30, 2002 and 2001, the cash flows for the nine month periods ended September 30, 2002 and 2001, and the changes in shareholders' equity for the nine month period ended September 30, 2002. The unaudited condensed consolidated statements of income for such interim periods are not necessarily indicative of results for the full year.

In 2002, we adopted Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." This Statement supercedes SFAS No. 121. The Statement had no impact on our financial statements for the three and nine month periods ended September 30, 2002, and we do not expect it to have any significant impact for the year ending December 31, 2002.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make use of certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates, and revisions to estimates are included in our results for the period in which the actual amounts become known. See Item 7 ("Management's Discussion and Analysis of Financial Condition and Results of Operations") of our Annual Report on Form 10-K for the year ended December 31, 2001, for an additional discussion of the most significant accounting policies and estimates used in the preparation of our financial statements.

3. Marketable Securities

The amortized cost and estimated fair values of our investments in marketable securities at September 30, 2002, were (in thousands):

Security Type	Estimated Fair Value	Gross Unrealized Holding		Amortized Cost
		Gains	(Losses)	
Available-for-sale:				
U.S. Government and Government Agency Securities	\$ 15,524	\$ 24	\$ -	\$ 15,500
Municipal Bonds	85,187	-	(2)	85,189
Total available-for-sale	<u>100,711</u>	<u>24</u>	<u>(2)</u>	<u>100,689</u>
Held-to-maturity:				
U.S. Government and Government Agency Securities	148,216	507	-	147,709
Corporate Fixed Income Securities	35,246	47	-	35,199
Total held-to-maturity	<u>183,462</u>	<u>554</u>	<u>-</u>	<u>182,908</u>
Total marketable securities	<u>\$ 284,173</u>	<u>\$ 578</u>	<u>\$ (2)</u>	<u>\$ 283,597</u>

Estimated fair values of marketable securities are based on quoted market prices. The amortized cost and estimated fair value of our investments in marketable securities at September 30, 2002, by contractual maturity were (in thousands):

	Estimated Fair Value	Amortized Cost
Due in one year or less	\$ 244,265	\$ 243,822
Due in greater than one year	39,908	39,775
Total investments in marketable securities	<u>\$ 284,173</u>	<u>\$ 283,597</u>

All of the marketable securities that were due in greater than one year have maturity dates prior to September 30, 2004.

The gross unrealized holding gains and losses on available-for-sale securities are recorded as accumulated other comprehensive income, which is reflected as a separate component of shareholders' equity. We began this presentation as of September 30, 2002 and consider amounts for prior periods immaterial. The gross realized gains and losses on marketable securities that are included in Other expense in the Condensed Consolidated Statements of Income are not considered material.

4. Financing Arrangements

We have an aggregate \$70 million available pursuant to two \$35 million unsecured lines of credit with two financial institutions. One line of credit expires in June 2003, at which time we intend to renew the line, and the other does not have a fixed expiration date. Borrowings under the first credit facility bear interest at the prime rate less 2 1/2%, LIBOR plus 1/2% or the federal funds rate plus 1/2%, as determined by us. Borrowings under the second credit facility bear interest at the prime rate less 2 1/2%, LIBOR plus .45% or the federal funds rate plus .45%, as determined by us. At September 30, 2002, there were no borrowings under either of the credit facilities.

We have entered into security agreements with certain financial institutions ("Flooring Companies") in order to

facilitate the purchase of inventory from various suppliers under certain terms and conditions. The agreements allow for a maximum credit line of \$82 million collateralized by inventory purchases financed by the Flooring Companies. At September 30, 2002, all amounts owed the Flooring Companies were included in trade accounts payable.

5. Earnings Per Share

At September 30, 2002, we had outstanding common shares totaling approximately 83,430,000. We have granted options to purchase common shares to the directors and coworkers of CDW under several stock option plans. These options have a dilutive effect on earnings per share. The following is a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations as required by SFAS No. 128, "Earnings Per Share."

	Three Months Ended September 30, (in 000's except per share data)		Nine Months Ended September 30, (in 000's except per share data)	
	2002	2001	2002	2001
Basic earnings per share:				
Income available to common shareholders (numerator)	\$ 54,894	\$ 43,235	\$ 139,703	\$ 126,741
Weighted average common shares outstanding (denominator)	84,206	85,843	85,212	85,924
Basic earnings per share	\$ 0.65	\$ 0.50	\$ 1.64	\$ 1.48
Diluted earnings per share:				
Income available to common shareholders (numerator)	\$ 54,894	\$ 43,235	\$ 139,703	\$ 126,741
Weighted average common shares outstanding	84,206	85,843	85,212	85,924
Effect of dilutive securities:				
Options on common stock	3,120	3,199	3,528	3,086
Total common shares and dilutive securities (denominator)	87,326	89,042	88,740	89,010
Diluted earnings per share	\$ 0.63	\$ 0.49	\$ 1.57	\$ 1.42

Additional options to purchase common shares were outstanding during the three and nine month periods ended September 30, 2002, but were not included in the computation of diluted earnings per share because the exercise prices of these options were greater than the average market price of common shares during the respective periods. The following table summarizes the weighted average number, and the weighted average exercise price, of those options which were excluded from the calculation:

	Three Months Ended September 30, 2002	Nine Months Ended September 30, 2002
Weighted average number of options (in 000's)	1,094	901
Weighted average exercise price	\$55.49	\$55.71

The options were all outstanding at September 30, 2002.

6. Share Repurchase Programs

In January 2001, our Board of Directors authorized the purchase of up to 5,000,000 shares of our

common stock. This repurchase program was completed during September 2002. Repurchased shares are held in treasury pending use for general corporate purposes, including issuances under various employee stock plans. Under this repurchase program, we purchased 2,307,500 shares of our common stock during the nine month period ended September 30, 2002, at a total cost of \$106.4 million (an average price of \$46.11 per share). These repurchases included 384,376 shares repurchased on May 7, 2002, at a total cost of \$19.0 million (\$49.50 per share), from Daniel B. Kass, Executive Vice President and a Director. From January 2001 through September 30, 2002, we purchased the 5,000,000 shares authorized to be repurchased at a total cost of \$204.6 million (an average price of \$40.92 per share).

In July 2002, our Board of Directors authorized a new share repurchase program of up to 2,500,000 shares of our common stock. These purchases may be made from time to time in both the open market and private transactions, as conditions warrant. This program is expected to remain in effect through July 2004, unless earlier terminated by the Board or completed. Under this repurchase program, we purchased 508,376 shares of our common stock at a total cost of \$21.9 million (an average price of \$42.99 per share) during the quarter ended September 30, 2002.

7. Segment Information

We are engaged in the sale of multi-brand computers and related technology products and services, primarily through direct marketing. We have two operating segments: corporate, which is primarily comprised of business customers, but also includes consumers, and public sector, which is comprised of federal, state and local government and education institution customers. In accordance with SFAS 131, "Disclosure about Segments of an Enterprise and Related Information," the internal organization that is used by management for making operating decisions and assessing performance is the source of our reportable segments.

The accounting policies of the segments are the same as those described above in the "Summary of Significant Accounting Policies." We allocate resources to and evaluate performance of our segments based on both sales and operating income. Our corporate segment provides purchasing, merchandising, accounting, information technology, marketing, distribution and fulfillment services to the public sector segment. Certain elements of gross margin and operating expenses are subject to intercompany service agreements which provide for, among other things, a mark-up on intercompany sales and allocation of indirect expenses such as occupancy, operations and other support, payroll, training and benefits. The table below presents information about our reportable segments:

	Three Months Ended September 30, 2002 (in 000's)			
	Corporate	Public Sector	Eliminations	Consolidated
External customer sales	\$ 869,127	\$ 281,843	\$ -	\$ 1,150,970
Transfers between segments	<u>276,359</u>	<u>-</u>	<u>(276,359)</u>	<u>-</u>
Total net sales	<u>\$ 1,145,486</u>	<u>\$ 281,843</u>	<u>\$ (276,359)</u>	<u>\$ 1,150,970</u>
Income from operations	<u>\$ 83,737</u>	<u>\$ 5,186</u>	<u>\$ -</u>	\$ 88,923
Net interest income and other expense				<u>1,811</u>
Income before income taxes				<u>\$ 90,734</u>
Total assets	<u>\$ 1,007,574</u>	<u>\$ 101,203</u>	<u>\$ (45,670)</u>	<u>\$ 1,063,107</u>

Three Months Ended September 30, 2001 (in 000's)

	Corporate	Public Sector	Eliminations	Consolidated
External customer sales	\$ 776,719	\$ 214,346	\$ -	\$ 991,065
Transfers between segments	<u>203,323</u>	<u>-</u>	<u>(203,323)</u>	<u>-</u>
Total net sales	<u>\$ 980,042</u>	<u>\$ 214,346</u>	<u>\$ (203,323)</u>	<u>\$ 991,065</u>
Income from operations	<u>\$ 61,334</u>	<u>\$ 7,516</u>	<u>\$ -</u>	\$ 68,850
Net interest income and other expense				<u>2,910</u>
Income before income taxes				<u>\$ 71,760</u>
Total assets	<u>\$ 873,547</u>	<u>\$ 80,482</u>	<u>\$ (42,891)</u>	<u>\$ 911,138</u>

Nine Months Ended September 30, 2002 (in 000's)

	Corporate	Public Sector	Eliminations	Consolidated
External customer sales	\$ 2,553,320	\$ 657,306	\$ -	\$ 3,210,626
Transfers between segments	<u>637,417</u>	<u>-</u>	<u>(637,417)</u>	<u>-</u>
Total net sales	<u>\$ 3,190,737</u>	<u>\$ 657,306</u>	<u>\$ (637,417)</u>	<u>\$ 3,210,626</u>
Income from operations	<u>\$ 212,684</u>	<u>\$ 12,127</u>	<u>\$ -</u>	\$ 224,811
Net interest income and other expense				<u>6,103</u>
Income before income taxes				<u>\$ 230,914</u>
Total assets	<u>\$ 1,007,574</u>	<u>\$ 101,203</u>	<u>\$ (45,670)</u>	<u>\$ 1,063,107</u>

Nine Months Ended September 30, 2001 (in 000's)

	Corporate	Public Sector	Eliminations	Consolidated
External customer sales	\$ 2,470,071	\$ 503,284	\$ -	\$ 2,973,355
Transfers between segments	<u>466,941</u>	<u>-</u>	<u>(466,941)</u>	<u>-</u>
Total net sales	<u>\$ 2,937,012</u>	<u>\$ 503,284</u>	<u>\$ (466,941)</u>	<u>\$ 2,973,355</u>
Income from operations	<u>\$ 183,700</u>	<u>\$ 17,112</u>	<u>\$ -</u>	\$ 200,812
Net interest income and other expense				<u>9,547</u>
Income before income taxes				<u>\$ 210,359</u>
Total assets	<u>\$ 873,547</u>	<u>\$ 80,482</u>	<u>\$ (42,891)</u>	<u>\$ 911,138</u>

Our assets are primarily managed as part of the corporate segment, including all inventory and the majority of all property and equipment. As a result, capital expenditures and related depreciation are immaterial for the public sector segment. The public sector segment assets consist principally of cash and cash equivalents and accounts receivable. Certain reclassifications of assets between segments were made in the second and third quarters of 2002, with no impact on total consolidated assets.

Sales and operating expenses relating to our investment in CDW Leasing, L.L.C. ("CDW-L"), accounted for under the equity method, are immaterial to the Company as a whole and are evaluated by management for making operating decisions and allocating resources as part of the corporate segment. The net equity earnings (losses) relating to our investment in CDW-L, accounted for under the equity method, were \$(40,200) and \$107,800 for the three months ended September 30, 2002 and 2001, respectively, and \$230,300 and \$213,500 for the nine months ended September 30, 2002 and 2001, respectively. These amounts are included in Selling and administrative expenses in the Condensed Consolidated Statements of Income.

No single customer accounted for more than 1% of net sales in the three or nine month periods ended September 30, 2002 or 2001. Less than 1% of our revenues are comprised of sales to customers outside of the United States.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and the notes thereto.

Overview

We are the largest direct marketer of multi-brand computers and related technology products and services in the United States. Our primary business is conducted from a combined corporate office and distribution center located in Vernon Hills, Illinois, sales offices in Mettawa and Chicago, Illinois and a sales office in Lansdowne, Virginia. Subsequent to September 30, 2002, the Company discontinued use of its Buffalo Grove, Illinois sales office, because sales staff were relocated to the Mettawa office. Additionally, we market and sell products through www.cdw.com and www.cdwg.com, our Internet sites.

For financial reporting purposes, we have two operating segments: corporate, which is primarily comprised of business customers, but also includes consumers (which generated approximately 3% of total sales in the three and nine month periods ended September 30, 2002), and public sector, comprised of federal, state and local government and educational institution customers which are served by CDW Government, Inc. ("CDW-G"), a wholly owned subsidiary.

In Item 7 ("Management's Discussion and Analysis of Financial Condition and Results of Operations") of our Annual Report on Form 10-K for the year ended December 31, 2001, which was filed with the Securities and Exchange Commission on March 27, 2002, and amended on April 16, 2002, we included a discussion of the most significant accounting policies and estimates used in the preparation of our financial statements. There has been no material change in the policies and estimates used by us in the preparation of our financial statements since the filing of our Annual Report.

Results Of Operations

The following table sets forth financial information derived from our consolidated statements of income expressed as a percentage of net sales:

Financial Information	Percentage of Net Sales			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Net sales	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	86.4	86.5	86.8	86.7
Gross profit	13.6	13.5	13.2	13.3
Selling and administrative expenses	5.8	6.5	6.1	6.4
Net advertising expense	0.1	0.1	0.1	0.2
Income from operations	7.7	6.9	7.0	6.7
Interest and other income/expense	0.2	0.3	0.2	0.4
Income before income taxes	7.9	7.2	7.2	7.1
Income tax provision	3.1	2.8	2.8	2.8
Net income	4.8 %	4.4 %	4.4 %	4.3 %

The following table sets forth for the periods indicated a summary of certain of our consolidated operating statistics:

Operating Statistics	Three Months Ended September 30,		Nine Months Ended September 30,	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Commercial customers served (1):				
Current quarter	177,969	170,704	310,936	301,374
Trailing 12 months	363,597	348,050	363,597	348,050
% of sales to commercial customers	97.9%	96.9%	97.4%	96.8%
Number of invoices processed	1,273,758	1,090,025	3,737,826	3,244,597
Average invoice size	\$1,034	\$980	\$950	\$977
Direct web sales (000's)	\$224,351	\$150,987	\$614,659	\$454,403
Daily average web users	87,557	80,573	90,631	88,820
Sales force, end of period	1,250	1,276	1,250	1,276
Annualized inventory turnover	28	27	30	28
Accounts receivable days sales outstanding	29	32	31	32
Annualized net sales per coworker (000's)	\$1,639	\$ 1,443	\$1,522	\$ 1,440

(1) Commercial customers include public sector customers and corporate customers excluding consumers.

The following table presents net sales by product category as a percentage of total net sales. Product lines are based upon internal product code classifications. Product mix for the three and nine month periods ended September 30, 2001 has been retroactively adjusted for certain changes in individual product categorization.

Analysis of Product Mix	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
Notebook Computers and Accessories	12.2 %	14.7 %	12.6 %	14.9 %
Desktop Computers and Servers	13.1	12.6	13.4	13.3
Subtotal Computer Products	25.3	27.3	26.0	28.2
Software	19.0	17.0	18.1	16.7
Data Storage Devices	13.7	14.6	14.1	14.4
Printers	13.4	13.2	13.2	12.9
Net/Comm Products	9.3	9.8	9.4	9.6
Video	8.7	8.6	8.7	8.4
Add-On Boards/Memory	3.8	3.8	4.3	4.4
Input Devices	3.2	3.0	3.1	2.8
Other	3.6	2.7	3.1	2.6
Total	100.0 %	100.0 %	100.0 %	100.0 %

The following table represents year-over-year sales growth by product category for each of the periods indicated. Product lines are based upon internal product code classifications. Product growth rates for the three and nine month periods ended September 30, 2001 have been retroactively adjusted for certain changes in individual product categorization.

Analysis of Product Category Growth	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
Notebook Computers and Accessories	(4.3) %	(27.0) %	(9.3) %	(21.7) %
Desktop Computers and Servers	19.1	(22.3)	8.0	(12.4)
Subtotal Computer Products	6.5	(24.9)	(1.1)	(17.6)
Software	27.7	42.0	16.6	48.9
Data Storage Devices	8.2	2.3	5.5	9.6
Printers	16.8	8.2	10.5	18.0
Net/Comm Products	9.3	0.8	5.2	9.8
Video	15.9	6.7	12.1	14.8
Add-On Boards/Memory	15.1	(39.5)	3.6	(22.2)
Input Devices	24.3	8.6	20.8	17.8
Other	50.2	21.7	29.7	27.9
Total	16.1 %	(3.7) %	8.0 %	4.6 %

Three month period ended September 30, 2002 compared to three month period ended September 30, 2001

Net sales in the third quarter of 2002 increased 16.1% to \$1.151 billion compared to \$991.1 million in the third quarter of 2001. Software sales increased 27.7% compared to the third quarter of 2001, and remained our top selling product category. Sales of input devices, desktop computers and servers, printers, video, and memory were also strong, with sales increasing over 15% for each of these product categories over the third quarter of 2001. Corporate segment sales increased 11.9% from the third quarter of 2001 to \$869.1 million. Public sector segment sales increased 31.5% to \$281.8 million and comprised 24.5% of our total sales for the third quarter of 2002. Our strength in the public sector segment is primarily due to our focused sales and marketing efforts in the federal, state and local government and education markets.

The average selling price of our products decreased from the third quarter of 2001, however, the impact of this was more than offset by increased unit sales. Changes in average selling prices from the second quarter 2002 indicate that pricing of computer products may be stabilizing. However, decreases in pricing for computer products are possible during the remainder of 2002. Price decreases require us to generate more orders and sell more units in order to maintain or increase sales.

Gross profit increased 17.2% in the third quarter of 2002, to \$157.0 million, compared to \$134.0 million in the third quarter of 2001. As a percentage of net sales, gross profit was 13.6% in the third quarter of 2002, compared to 13.5% in the third quarter of 2001. The increase in the gross profit percentage was primarily due to increased sales of a software upgrade insurance product offered by Microsoft, accounted for on a net basis, and related increased levels of vendor software rebates, partially offset by reductions in selling margins. Microsoft is shifting from selling software product upgrades to selling an insurance product that gives users the right to future versions of software for a period of time. As Microsoft shifts to this new selling method, an interim product called Upgrade Advantage was sold through July 31, 2002. We accounted for Upgrade Advantage on a net basis, so the method of accounting is similar to a commission. Sales of Upgrade Advantage, therefore, have a positive impact on our gross profit margin, but do not have a significant impact on our sales. Because this version of Upgrade Advantage was only sold through July 31, 2002, the third quarter experienced increased volume related to this product, which will not continue.

The gross profit objective as a percentage of sales is between 12.5% and 13.0%. Gross profit margin depends on various factors, including the continued participation by vendors in inventory price protection and rebate programs, product mix, including software maintenance and third party services, pricing strategies, market conditions and other factors, any of which could result in a fluctuation of gross margin below recent experience.

Selling and administrative expenses increased 4.2% in the third quarter of 2002, to \$67.2 million, compared to \$64.5 million in the third quarter of 2001. The increase was primarily due to \$4.2 million of increased payroll costs, offset by \$1.7 million of reduced expense related to payroll taxes resulting from stock option exercises. Selling and administrative expenses decreased to 5.8% of net sales in the three months ended September 30, 2002, from 6.5% in the same period of 2001, primarily due to increased sales. Our sales force decreased from 1,276 at September 30, 2001 to 1,250 at September 30, 2002. Our sales force includes account managers as well as product category specialists who provide consultation in areas requiring technical or specialized product expertise such as networking, security, data storage, and volume software licensing. We continue to evaluate our need for additional account managers and will adjust hiring goals as business conditions dictate. Selling and administrative expenses may increase as a percentage of net sales due to the addition of coworkers and continued investments in infrastructure.

Net advertising expense in the third quarter of 2002 was \$0.9 million, compared to \$0.6 million in the prior year period. As a percentage of net sales, net advertising expense was 0.1% for the three months ended September 30, 2002, the same percentage as the third quarter of the prior year. Gross advertising expense increased \$2.1 million, but decreased as a percentage of net sales to 2.1% compared to 2.3% in the third quarter of 2001. While gross advertising expense dollars increased only marginally from the third quarter of 2001, we are generating more coverage through an aggressive branding campaign, including national television and print media. Cooperative advertising reimbursements increased \$1.8 million, but decreased as a percentage of net

sales to 2.0%, compared to 2.2% in the third quarter of 2001. Cooperative advertising reimbursements as a percentage of net sales may decrease in future periods depending on the level of vendor participation and collection experience.

Consolidated operating income was \$88.9 million in the third quarter of 2002, a 29.0% increase from \$68.9 million in the third quarter of 2001. This increase was primarily a result of the increase in sales and gross margin, and continued controlled growth of operating expenses in 2002. Consolidated operating income as a percentage of net sales increased to 7.7% in the third quarter of 2002 from 6.9% in the third quarter of 2001.

Corporate segment operating income was \$83.7 million in the third quarter of 2002, compared to \$61.3 million in the same period in 2001. Corporate segment operating income increased as a percentage of net sales to 7.3% from 6.3% in the third quarter of 2001. The increase in corporate segment operating income was primarily due to increased sales. Public sector segment operating income was \$5.2 million in the third quarter of 2002, a decrease from \$7.5 million in the third quarter of 2001. Public sector segment operating income decreased as a percentage of net sales to 1.8% from 3.5% in the third quarter of 2001. The decrease in public sector segment operating income was due to a lower gross margin and higher operating expenses, primarily payroll and coworker costs incurred to support growth in our public sector business.

Interest income, net of other expenses, decreased to \$1.8 million in the third quarter of 2002 compared to \$2.9 million in the third quarter of 2001, as higher levels of cash available for investment were offset by decreases in the rates of interest earned, due to substantially lower market interest rates.

The effective income tax rate, expressed as a percentage of income before income taxes, was 39.5% for the three month period ended September 30, 2002, compared to 39.75% for the third quarter of 2001.

Net income in the third quarter of 2002 was \$54.9 million, a 27.0% increase over \$43.2 million in the third quarter of 2001. Diluted earnings per share were \$0.63 for the three month period ended September 30, 2002 and \$0.49 in the same period of 2001, an increase of 28.6%.

Nine month period ended September 30, 2002 compared to nine month period ended September 30, 2001

Net sales in the first nine months of 2002 increased 8.0% to \$3.21 billion compared to \$2.97 billion in the same period of 2001. Software sales increased 16.6% compared to the first nine months of 2001, and remained our top selling product category. Sales of input devices, video and printers were also strong, with sales increasing over 10% for each of these product categories over the first nine months of 2001. Corporate segment sales increased 3.4% from the first nine months of 2001 to \$2.55 billion. Public sector segment sales increased 30.6% from the first nine months of 2001 to \$657.3 million and comprised 20.5% of our total sales for the first nine months of 2002. Our strength in the public sector segment is primarily due to our focused sales and marketing efforts in the federal, state and local government and education markets.

The average selling price of our products decreased from the first nine months of 2001, however, the impact of this was more than offset by increased unit sales. Changes in average selling prices during the first nine months of 2002 indicate that pricing of computer products may be stabilizing. However, decreases in pricing for computer products are possible during the remainder of 2002. Price decreases require us to generate more orders and sell more units in order to maintain or increase sales.

Gross profit increased 7.0% for the nine months ended September 30, 2002, to \$424.4 million, compared to \$396.7 million for the comparable period last year. As a percentage of net sales, gross profit was 13.2% for the nine month period ended September 30, 2002, compared to 13.3% for the same period in 2001. The gross profit objective as a percentage of net sales is between 12.5% and 13.0%. Gross profit margin depends on various factors, including the continued participation by vendors in inventory price protection and rebate programs, product mix, including software maintenance and third party services, pricing strategies, market conditions and other factors, any of which could result in a fluctuation of gross margin below recent experience.

Selling and administrative expenses increased 2.9% for the nine months ended September 30, 2002, to

\$196.4 million, compared to \$190.9 million in the same period of 2001. The increase was primarily due to \$3.0 million of increased payroll and employee-related costs along with \$2.2 million of increased occupancy costs. Selling and administrative expenses decreased to 6.1% of net sales in the nine month period ended September 30, 2002, from 6.4% in the same period of 2001, primarily due to increased sales.

Net advertising expense in the first nine months of 2002 was \$3.2 million, compared to \$5.1 million in the prior year. As a percentage of net sales, net advertising expense was 0.1% for the nine month period ended September 30, 2002, compared to 0.2% in the first nine months of the prior year. Gross advertising expense increased \$1.6 million, but decreased as a percentage of net sales to 2.1% compared to 2.2% of net sales in the first nine months of 2001. Cooperative advertising reimbursements increased \$3.4 million, but decreased as a percentage of net sales to 2.0% in the first nine months of 2002, compared to 2.1% in the first nine months of 2001. Cooperative advertising reimbursements as a percentage of net sales may decrease in future periods depending on the level of vendor participation and collection experience.

Consolidated operating income was \$224.8 million in the first nine months of 2002, a 12.0% increase from \$200.8 million in the first nine months of 2001. This increase was primarily a result of the increase in sales and controlled growth of operating expenses in 2002, partially offset by the decrease in gross margin percentage. Consolidated operating income as a percentage of net sales increased to 7.0% in the first nine months of 2002 from 6.7% in the first nine months of 2001.

Corporate segment operating income was \$212.7 million in the first nine months of 2002, compared to \$183.7 million in the same period in 2001. Corporate segment operating income increased as a percentage of net sales to 6.7% in the first nine months of 2002 from 6.3% in 2001. The increase in corporate segment operating income was primarily due to increased sales. Public sector segment operating income was \$12.1 million in the first nine months of 2002, a decrease from \$17.1 million in the first nine months of 2001. Public sector segment operating income as a percentage of net sales decreased to 1.8% in the first nine months of 2002 from 3.4% in the same period in 2001. The decrease in public sector segment operating income was due to a lower gross margin and higher operating expenses, primarily payroll and coworker costs incurred to support growth in our public sector business.

Interest income, net of other expenses, decreased to \$6.1 million in the first nine months of 2002 compared to \$9.5 million in the first nine months of 2001, as higher levels of cash available for investing were offset by decreases in the rates of interest earned, due to substantially lower market interest rates.

The effective income tax rate, expressed as a percentage of income before income taxes, was 39.5% for the nine month period ended September 30, 2002, a decrease from 39.75% for the first nine months of 2001.

Net income in the first nine months of 2002 was \$139.7 million, a 10.2% increase over net income of \$126.7 million in the first nine months of 2001. Diluted earnings per share were \$1.57 for the nine month period ended September 30, 2002 and \$1.42 in the same period of 2001, an increase of 10.6%.

Seasonality

Historically, we have experienced variability in the rates of sales growth, although we have not experienced seasonality in our business as a whole. While sales in our corporate segment, which serves business and consumer markets, have not historically experienced significant seasonality throughout the year, sales in our public sector segment have historically been higher in the third quarter than in other quarters due to the buying patterns of government and education customers. If sales to public sector customers continue to increase as a percentage of overall sales, the Company as a whole may experience increased seasonality in future periods.

Liquidity and Capital Resources

Working Capital

We have financed our operations and capital expenditures primarily through cash flow from operations. At

September 30, 2002, we had cash, cash equivalents and marketable securities of \$468.9 million and working capital of \$785.1 million, representing an increase of \$74.5 million in cash, cash equivalents and marketable securities and an increase of \$89.3 million in working capital from December 31, 2001. The increase in working capital was a result of increases in cash, cash equivalents and marketable securities, accounts receivable and merchandise inventory, partially offset by increases in accounts payable and accrued expenses.

We have an aggregate \$70 million available pursuant to two \$35 million unsecured lines of credit with two financial institutions. One line of credit expires in June 2003, at which time we intend to renew the line, and the other does not have a fixed expiration date. Borrowings under the first credit facility bear interest at the prime rate less 2 1/2%, LIBOR plus 1/2% or the federal funds rate plus 1/2%, as determined by us. Borrowings under the second credit facility bear interest at the prime rate less 2 1/2%, LIBOR plus .45% or the federal funds rate plus .45%, as determined by us. At September 30, 2002 and December 31, 2001, there were no borrowings under either of the credit facilities.

Our current and anticipated uses of our cash, cash equivalents and marketable securities are to fund growth in working capital and capital expenditures necessary to support future growth in sales, our stock buyback program and possible expansion through acquisitions. We believe that the funds held in cash, cash equivalents and marketable securities, and funds available under the credit facilities, will be sufficient to fund our working capital and cash requirements at least through September 30, 2003.

In January 2001, our Board of Directors authorized the purchase of up to 5,000,000 shares of our common stock. Under this repurchase program, completed in September 2002, we purchased 2,307,500 shares of our common stock during the nine month period ended September 30, 2002, at a total cost of \$106.4 million (an average price of \$46.11 per share). These repurchases included 384,376 shares repurchased on May 7, 2002, at a total cost of \$19.0 million (\$49.50 per share), from Daniel B. Kass, Executive Vice President and a Director. From January 2001 through September 30, 2002, we purchased the 5,000,000 shares authorized to be repurchased at a total cost of \$204.6 million (an average price of \$40.92 per share).

In July 2002, our Board of Directors authorized a new share repurchase program of up to 2,500,000 shares of our common stock. These purchases may be made from time to time in both the open market and private transactions, as conditions warrant. This program is expected to remain in effect through July 2004, unless earlier terminated by the Board or completed. Under this repurchase program, we purchased 508,376 shares of our common stock at a total cost of \$21.9 million (an average price of \$42.99 per share) during the quarter ended September 30, 2002.

Cash flows for the nine month period ended September 30, 2002

Net cash provided by operating activities for the nine month period ended September 30, 2002, was \$192.6 million. This was primarily from net income, tax benefits from stock options and restricted stock transactions, and an increase in accrued income taxes and other expenses, partially offset by an increase in accounts receivable. The increase in tax benefits from stock options and restricted stock transactions primarily relates to the exercise of options by Gregory C. Zeman, a Director and employee of the Company, and Daniel B. Kass, Executive Vice President and a Director. The increase in accrued income taxes and other expenses relates primarily to the timing of estimated tax payments. The increase in accounts receivable relates primarily to an increase in sales. Days sales outstanding for the nine month period ended September 30, 2002 were 31 days as compared to 32 days for the nine month period ended September 30, 2001.

Net cash used in investing activities for the nine month period ended September 30, 2002 was \$42.5 million, including \$35.7 million for investments in marketable securities and \$6.5 million for capital expenditures. At September 30, 2002, we had a \$5.9 million net investment in and loan to CDW-L, a joint venture between CDW Capital Corporation ("CDWCC"), a wholly-owned subsidiary of the Company, and First Portland Corporation, an unrelated third party leasing company. Effective May 1, 2002, CDW decided to stop originating new leases with this venture and began to refer customers to a variety of independent leasing sources, including several manufacturer captive entities. The existing leases in CDW-L's portfolio will be held until maturity, with the

majority expiring prior to December 31, 2004. Pursuant to a loan agreement between CDWCC and CDW-L, CDWCC had previously committed up to \$10 million in loans to CDW-L. On September 5, 2002, CDWCC terminated its loan commitment. Repayment of the outstanding loans may be made through cash flow from operations after debt service on subordinated loans outstanding from financial institutions. At September 30, 2002, \$4.8 million was outstanding under this loan agreement, \$2.8 million of which is subordinated to loans from financial institutions.

Net cash used in financing activities for the nine month period ended September 30, 2002 was \$110.8 million. The repurchase of 2,625,876 shares of our common stock at a total cost of \$120.1 million, excluding 190,000 shares at a total cost of \$8.2 million acquired during September 2002 for which cash settlement did not occur until October 2002, was partially offset by proceeds of \$9.3 million from the exercise of stock options under our various stock option plans.

Recently Issued Accounting Pronouncements

In April 2002, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 145, "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13 and Technical Corrections." Among other things, the statement updates, clarifies and simplifies existing accounting pronouncements relating to the extinguishment of debt. The provisions of this statement related to the extinguishment of debt shall be applied in fiscal years beginning after May 15, 2002. We do not expect the adoption of this Statement to have a material impact on our financial position or results of operations.

In July 2002, the FASB issued Statement of Financial Accounting Standards No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." The statement requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. This statement replaces previous accounting guidance provided by EITF (Emerging Issues Task Force) Issue No. 94-3. Statement 146 is to be applied prospectively to exit or disposal activities initiated after December 31, 2002. We are considering the Standard and its effect on our financial statements.

Any statements in this report that are forward-looking (that is, not historical in nature) are made pursuant to the safe harbor provisions of The Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, for example, statements concerning the Company's sales, gross profit as a percentage of sales, advertising expense and cooperative advertising reimbursements. In addition, words such as "likely," "may," "would," "could," "anticipate," "believe," "estimate," "expect," "intend," "plan," and similar expressions, may identify forward-looking statements in this report. Forward-looking statements in this report are based on the Company's beliefs and expectations as of the date of this report and are subject to risks and uncertainties, including those described below, which may have a significant impact on the Company's business, operating results or financial condition. Investors are cautioned that these forward-looking statements are inherently uncertain. Should one or more of the risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described herein. The following factors, among others, may have an impact on the accuracy of the forward-looking statements contained in this report: the continued acceptance of the Company's distribution channel by vendors and customers, the timely availability and acceptance of new products, continuation of key vendor relationships and support programs, the continuing development, maintenance and operation of the Company's I.T. systems, changes and uncertainties in economic conditions that could affect the rate of I.T. spending by the Company's customers, changes in pricing by our vendors, the ability of the Company to hire and retain qualified account managers and any additional factors described from time to time in the Company's filings with the Securities and Exchange Commission. These among other factors are discussed in further detail in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001, which was filed with the Securities and Exchange Commission on March 27, 2002 and amended on April 16, 2002, and which discussion is incorporated by reference herein.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There has been no material change from the information provided in Item 7a of the Company's Annual Report on Form 10-K for the year ended December 31, 2001.

Item 4. Controls and Procedures

- (a) Evaluation of disclosure controls and procedures: The Company's Chief Executive Officer and its Chief Financial Officer, after evaluating the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-14(c) and 15-d-14(c)) as of a date within 90 days of filing date of this quarterly report (the "Evaluation Date"), have concluded that as of the Evaluation Date, the Company's disclosure controls and procedures were adequate and effective to ensure that material information relating to the Company would be made known to them by others within the Company, particularly during the period in which this quarterly report was being prepared.
- (b) Changes in internal controls: There were no significant changes in the Company's internal controls or in other factors that could significantly affect the Company's internal controls and procedures subsequent to the Evaluation Date, nor any significant deficiencies or material weaknesses in such internal controls and procedures requiring corrective actions. As a result, no corrective actions were taken.

Part II Other Information

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

- 99.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. 1350
- 99.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C 1350

(b) Reports on Form 8-K:

- (i) We filed a Current Report on Form 8-K on August 13, 2002 containing copies of the sworn statements of John A. Edwardson and Barbara A. Klein, submitted to the SEC pursuant to Securities and Exchange Commission Order No. 4-460.

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.

CDW Computer Centers, Inc.

(Registrant)

Date November 14, 2002

/s/ Barbara A. Klein

By: Barbara A. Klein

Senior Vice President and

Chief Financial Officer

(Duly authorized officer and principal
financial officer)

CERTIFICATIONS

I, John A. Edwardson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CDW Computer Centers, Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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-14 and 15d-14) for the registrant and we have:
 - a. designed such disclosure controls and procedures 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 quarterly report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ John A. Edwardson
John A. Edwardson
Chairman and Chief Executive Officer
CDW Computer Centers, Inc.
November 14, 2002

I, Barbara A. Klein, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CDW Computer Centers, Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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-14 and 15d-14) for the registrant and we have:
 - a. designed such disclosure controls and procedures 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 quarterly report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Barbara A. Klein

Barbara A. Klein

Senior Vice President and Chief Financial Officer
CDW Computer Centers, Inc.

November 14, 2002

Exhibit 99.1

**Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code**

I, John A. Edwardson, the chief executive officer of CDW Computer Centers, Inc. (“CDW”), certify that (i) the Quarterly Report on Form 10-Q for the three months ended September 30, 2002 (the “10-Q”) of CDW fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the 10-Q fairly presents, in all material respects, the financial condition and results of operations of CDW.

/s/ John A. Edwardson
John A. Edwardson
Chairman and Chief Executive Officer
CDW Computer Centers, Inc.
November 14, 2002

Exhibit 99.2

**Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code**

I, Barbara A. Klein, the chief financial officer of CDW Computer Centers, Inc, (“CDW”), certify that (i) the Quarterly Report of Form 10-Q for the three months ended September 30, 2002 (the “10-Q”) of CDW fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the 10-Q fairly presents, in all material respects, the financial condition and results of operations of CDW.

/s/ Barbara A. Klein

Barbara A. Klein
Senior Vice President and Chief Financial Officer
CDW Computer Centers, Inc.
November 14, 2002