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CDW Reports Second Quarter Results
Company Achieves Record Quarterly Sales, Net Income and Earnings per Share

Second quarter of 2005 highlights:

- Average daily sales: \$24.056 million, an increase of 11.3% year-over-year
- Sales: \$1.540 billion, an increase of 11.3% year-over-year
- Net income: \$67.1 million, an increase of 15.1% year-over-year
- Diluted earnings per share: \$0.80, an increase of 19.4% year-over-year

VERNON HILLS, Ill. – July 19, 2005 – CDW Corporation (NASDAQ: CDWC) achieved record quarterly results for sales, net income and earnings per share in the second quarter of 2005.

Second quarter sales totaled \$1.540 billion, an increase of 11.3 percent compared to the second quarter of 2004. Second quarter net income was \$67.1 million, an increase of 15.1 percent versus the second quarter of 2004. Diluted earnings per share were \$0.80 in the second quarter of 2005, an increase of 19.4 percent compared to earnings per share of \$0.67 in the second quarter of 2004.

“Our second quarter results clearly demonstrate our ability to execute well, take market share and deliver profitable growth,” said John A. Edwardson, chairman and chief executive officer. “Our consistent performance is due to our ability to leverage our differentiated business model that provides customers the best solutions the industry has to offer and the highest level of responsive service.”

Average daily sales for the second quarter of 2005 were \$24.056 million compared to \$21.608 million in the second quarter of 2004, representing an 11.3 percent increase. Total sales in the second quarter of 2005 were \$1.540 billion compared to \$1.383 billion in the prior period. The second quarter of 2005 and the second quarter of 2004 both had 64 billing days.

- Second quarter of 2005 average daily sales for the corporate sector were \$18.240 million compared to \$16.684 million, representing a 9.3 percent increase over last year. Total corporate sector sales in the second quarter of 2005 were \$1.167 billion compared to \$1.068 billion in the second quarter of 2004.
- Second quarter of 2005 average daily sales for the public sector were \$5.816 million compared to \$4.924 million, representing an 18.1 percent increase over last year. Total public sector sales in the second quarter of 2005 were \$372.2 million compared to \$315.1 million in the second quarter of 2004.

- In the second quarter of 2005 unit volume growth of more than 15 percent was achieved in notebook CPUs, desktop CPUs, server CPUs, software, data storage and video.
- Direct web sales were \$423 million in the second quarter of 2005, representing a 14.4 percent increase compared to the same period a year ago, and comprised 27.4 percent of total sales.
- June 2005 average daily sales were \$25.793 million, compared to \$22.417 million in June 2004, representing a 15.1 percent increase. Total June 2005 sales were \$567.4 million compared to \$493.2 million in the prior period. June 2005 and June 2004 both had 22 billing days. Both the corporate and public sector segments generated growth in June 2005.

Gross profit margin was 15.4 percent in the second quarter of 2005 compared to 15.5 percent in the same period of 2004. The decrease was primarily due to reduced customer charges for delivery, insurance and handling as a result of changes in these charges made in the first quarter of 2005 and a slightly lower level of vendor incentives as a percent of sales. These items were partially offset by an increase in advertising funds classified as a reduction of cost of sales in 2005.

Selling and administrative expenses as a percentage of sales were 6.8 percent in both the second quarters of 2005 and 2004, and increased 11.9 percent in the second quarter of 2005 compared to the second quarter of 2004. The increase was due to increased expense for the additional profit-sharing contribution to the 401(k) plan of \$1,000 per coworker announced earlier this year in conjunction with a modification to the company's stock option program, and increased payroll costs for a larger number of coworkers to support a larger and growing business.

The effective tax rate for the second quarter of 2005 was 36.7 percent, compared to 39.7 percent for the second quarter of 2004. As previously announced, the company began collecting sales taxes from all taxable commercial customers effective April 1, 2005. In conjunction with collecting state sales taxes, the company will file state income tax returns for all of its legal entities in all states. Due to differences in state income tax provisions, including differences in how income is apportioned, the company's overall effective state income tax rate will be lower in 2005 compared to 2004. In the first quarter of 2005, the consolidated income tax rate was estimated at 38.9 percent for the year. Following additional revisions in the tax rate, the full-year 2005 effective rate is expected to be lower than originally forecasted. The tax rate for the second quarter of 2005 reflects an adjustment to the overall effective tax rate to arrive at a combined rate of 37.8 percent for the first six months of 2005, which is the rate the company currently expects for full-year 2005.

During the second quarter of 2005, CDW repurchased 1.485 million shares of common stock at an average price of \$55.29 per share for an aggregate purchase price of approximately \$82 million. Under the current share repurchase program approved in April 2005 for the repurchase of 4.5 million shares, 3.0 million shares remain available for purchase. In addition, the Company paid an annual cash dividend of \$0.43 per share to common stock shareholders on June 30, 2005, for a total amount of approximately \$35 million. Including share repurchases of \$130 million in the first quarter of 2005, total dollars returned to shareholders in the first six months of 2005 were approximately \$247 million.

The company plans to release July sales on Tuesday, August 9, 2005. July 2004 had 21 billing days and July 2005 will have 20 billing days.

Forward Looking Statement

Any forward-looking statements contained in this release are based on the Company's beliefs and expectations as of the date of this release and are subject to certain risks and uncertainties which may have a significant impact on the Company's business, operating results or financial condition. Should any risk or uncertainty materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described in

forward-looking statements. Factors affecting the Company's business and prospects are discussed in the Company's filings with the Securities and Exchange Commission.

About CDW

CDW® (NASDAQ: CDWC), ranked No. 347 on the FORTUNE 500, is a leading provider of technology products and services for business, government and education. CDW is a principal source of technology from top name brands such as Adobe, APC, Apple, Cisco, HP, IBM, Microsoft, Sony, Symantec, Toshiba and ViewSonic.

CDW was founded in 1984 and today employs approximately 4,000 coworkers. In 2004, the company generated sales of \$5.7 billion. CDW's direct model offers one-on-one relationships with knowledgeable account managers; purchasing by telephone, fax, the company's award-winning CDW.com web site, customized CDW@work™ extranets, CDWG.com web site and macwarehouse.com web site; custom configured solutions and same day shipping; and pre- and post-sales technical support, with approximately 120 factory-trained and A+ certified technicians on staff.

A live web cast of CDW's management discussion of the second quarter of 2005 results will be available at www.cdw.com/investor. The web cast will begin today, July 19, 2005, at 8:30 a.m. ET / 7:30 a.m. CT. An audio replay of the call will also be available at www.cdw.com/investor for approximately two weeks.

Additional financial and operational data is provided in a series of supplemental slides available at www.cdw.com/investor.

For more information about CDW:

Visit CDW on the Internet at <http://www.cdw.com>. Contact CDW Investor Relations via the Internet at investorrelations@cdw.com or by telephone at 847-419-6328.

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CDW CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Net sales	\$ 1,539,595	\$ 1,382,904	\$ 3,014,677	\$ 2,719,593
Cost of sales	<u>1,302,117</u>	<u>1,168,374</u>	<u>2,550,770</u>	<u>2,300,600</u>
Gross profit	237,478	214,530	463,907	418,993
Selling and administrative expenses	105,325	94,096	207,563	190,162
Net advertising expense	<u>29,665</u>	<u>25,287</u>	<u>56,126</u>	<u>43,504</u>
Income from operations	102,488	95,147	200,218	185,327
Interest income	3,989	2,076	7,168	3,913
Other expense, net	<u>(479)</u>	<u>(626)</u>	<u>(849)</u>	<u>(1,037)</u>
Income before income taxes	105,998	96,597	206,537	188,203
Income tax provision	<u>38,937</u>	<u>38,322</u>	<u>78,079</u>	<u>74,635</u>
Net income	<u>\$ 67,061</u>	<u>\$ 58,275</u>	<u>\$ 128,458</u>	<u>\$ 113,568</u>
Earnings per share:				
Basic	<u>\$ 0.82</u>	<u>\$ 0.70</u>	<u>\$ 1.57</u>	<u>\$ 1.36</u>
Diluted	<u>\$ 0.80</u>	<u>\$ 0.67</u>	<u>\$ 1.52</u>	<u>\$ 1.30</u>
Weighted-average number of common shares outstanding:				
Basic	<u>81,337</u>	<u>83,537</u>	<u>81,975</u>	<u>83,678</u>
Diluted	<u>83,737</u>	<u>86,778</u>	<u>84,521</u>	<u>87,028</u>
Dividends per share	<u>\$ 0.43</u>	<u>\$ 0.36</u>	<u>\$ 0.43</u>	<u>\$ 0.36</u>

CDW CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	<u>June 30,</u> <u>2005</u>	<u>December 31,</u> <u>2004</u>	<u>June 30,</u> <u>2004</u>
Assets			
Current assets:			
Cash, cash equivalents and marketable securities	\$ 510,006	\$ 478,197	\$ 378,693
Accounts receivable, net of allowance for doubtful accounts of \$9,879, \$9,890 and \$10,505 respectively	628,906	580,035	514,410
Merchandise inventory	214,931	213,222	188,912
Miscellaneous receivables	28,829	24,364	27,924
Deferred income taxes	13,718	13,718	12,147
Prepaid expenses	4,632	6,901	2,854
Total current assets	1,401,022	1,316,437	1,124,940
Marketable securities	70,364	125,426	226,583
Property and equipment, net	81,368	68,595	63,950
Other assets	10,626	10,477	15,583
Total assets	<u>\$ 1,563,380</u>	<u>\$ 1,520,935</u>	<u>\$ 1,431,056</u>
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	\$ 281,170	\$ 167,877	\$ 199,381
Accrued expenses and other current liabilities	117,442	102,987	109,283
Total current liabilities	398,612	270,864	308,664
Long-term liabilities	15,597	8,654	7,372
Minority interest	-	-	2,374
Shareholders' equity:			
Total shareholders' equity	1,149,171	1,241,417	1,112,646
Total liabilities and shareholders' equity	<u>\$ 1,563,380</u>	<u>\$ 1,520,935</u>	<u>\$ 1,431,056</u>

Note: Certain prior period amounts have been reclassified to conform with the current period's presentation.

CDW CORPORATION AND SUBSIDIARIES
SEGMENT REPORTING INFORMATION
(in thousands)

	Three Months Ended June 30, 2005			Consolidated
	Corporate Sector	Public Sector	Headquarters / Other	
Net sales	\$ 1,167,359	\$ 372,236	\$ -	\$ 1,539,595
Income from operations	\$ 89,143	\$ 21,412	\$ (8,067)	\$ 102,488
Net interest income and other expense				3,510
Income before income taxes				\$ 105,998
Total assets	\$ 486,139	\$ 213,687	\$ 863,554	\$ 1,563,380

	Three Months Ended June 30, 2004			Consolidated
	Corporate Sector	Public Sector	Headquarters / Other	
Net sales	\$ 1,067,783	\$ 315,121	\$ -	\$ 1,382,904
Income from operations	\$ 85,481	\$ 15,617	\$ (5,951)	\$ 95,147
Net interest income and other expense				1,450
Income before income taxes				\$ 96,597
Total assets	\$ 424,852	\$ 185,750	\$ 820,454	\$ 1,431,056

Note: Segment information for the three months ended June 30, 2004 has been restated to conform with the revised segment reporting structure.

CDW CORPORATION AND SUBSIDIARIES
SEGMENT REPORTING INFORMATION
(in thousands)

	Six Months Ended June 30, 2005			
	Corporate Sector	Public Sector	Headquarters / Other	Consolidated
Net sales	\$ 2,343,453	\$ 671,224	\$ -	\$ 3,014,677
Income from operations	\$ 179,721	\$ 36,545	\$ (16,048)	\$ 200,218
Net interest income and other expense				6,319
Income before income taxes				\$ 206,537
Total assets	\$ 486,139	\$ 213,687	\$ 863,554	\$ 1,563,380

	Six Months Ended June 30, 2004			
	Corporate Sector	Public Sector	Headquarters / Other	Consolidated
Net sales	\$ 2,156,905	\$ 562,688	\$ -	\$ 2,719,593
Income from operations	\$ 173,934	\$ 26,159	\$ (14,766)	\$ 185,327
Net interest income and other expense				2,876
Income before income taxes				\$ 188,203
Total assets	\$ 424,852	\$ 185,750	\$ 820,454	\$ 1,431,056

Note: Segment information for the six months ended June 30, 2004 has been restated to conform with the revised segment reporting structure.

**CDW CORPORATION AND SUBSIDIARIES
OPERATING DATA**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
% of sales to commercial customers (1)	98.8%	98.1%	98.7%	97.9%
Number of invoices processed	1,634,854	1,556,292	3,276,182	3,206,300
Average invoice size	\$1,012	\$969	\$987	\$922
Direct web sales (000's)	\$422,614	\$369,575	\$859,091	\$731,362
Sales force, end of period	1,962	1,750	1,962	1,750
Annualized inventory turnover (2)	25	23	24	24
Accounts receivable - days sales outstanding	37	34	38	34

- (1) Commercial customers are defined as public sector and corporate customers excluding consumers.
- (2) Starting in the third quarter of 2004, annualized inventory turnover is computed on an average daily basis. Prior periods have been restated using the new method.