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CDW Reports Second Quarter Results
Company Achieves Record Quarterly Net Income of \$58.3 Million and EPS of \$0.67

- Record sales: \$1.383 billion (29% increase year-over-year)
- Record average daily sales: \$21.6 million (29% increase year-over-year)
- Record net income: \$58.3 million (34% increase year-over-year)
- Record earnings per share: \$0.67 (31% increase year-over-year)

VERNON HILLS, Ill. – July 20, 2004 – CDW Corporation (NASDAQ: CDWC) achieved record quarterly results for sales, average daily sales, net income and earnings per share in the second quarter of 2004.

Second quarter sales totaled \$1.383 billion, an increase of 29 percent versus the prior year quarter. Second quarter net income was \$58.3 million, an increase of 34 percent versus the second quarter of 2003. Diluted earnings per share were \$0.67, an increase of 31 percent versus the second quarter of 2003.

“The ongoing strength of our superior business model has resulted in record sales, net income and earnings per share this quarter,” said John A. Edwardson, chairman and chief executive officer. “Growth in sales continued to outpace the market as we gained additional market share. Along with this success, we are pleased with the strong profitability we generated in the second quarter of 2004. Year-over-year net income grew 500 basis points faster than sales due to solid gross margin and operating margin performance. We attribute this achievement to our ongoing focus of finding new and better ways to provide outstanding service to our customers. These initiatives include our marketing segmentation strategy, strong vendor relationships, and ongoing training of our sales force.”

“CDW coworkers are dedicated to responding to our customers with a sense of urgency, and they have a passion for getting the job done right in the most efficient way,” said Edwardson. “This is ultimately the reason for our success, and why we continue to believe that we will grow at market rates plus ten points.”

Average daily sales for second quarter 2004 were \$21.6 million compared to \$16.8 million in the second quarter 2003, representing a 29 percent increase. Total sales in the second quarter 2004 were \$1,383 million compared to \$1,075 million in the prior period. Second quarter 2004 and second quarter 2003 both had 64 billing days. Included in the second quarter of 2004 were sales made by former members of the Micro Warehouse sales force who joined CDW in September 2003 in conjunction with the Micro Warehouse transactions.

- Second quarter 2004 average daily sales for the corporate sector were \$16.7 million, representing a 31 percent increase over last year. Total corporate sector sales in the second quarter 2004 were \$1,068 million compared to \$818 million in the second quarter 2003.
- Second quarter 2004 average daily sales for the public sector were \$4.9 million, representing a 22 percent increase over last year. Total public sector sales in the second quarter 2004 were \$315 million compared to \$258 million in the second quarter 2003.
- In the second quarter 2004, double-digit unit volume growth was achieved in most product categories on a year-over-year basis. The unit volumes of notebook CPUs, notebook accessories, desktop CPUs, server CPUs, and data storage increased more than 30 percent over the prior year quarter. Software, printers, printer accessories, netcomm products, and input devices increased between 20 percent and 30 percent over the prior year quarter.
- Direct web sales were \$370 million in the second quarter of 2004, representing a 53 percent increase compared to the same period a year ago, and comprised 27 percent of total sales. Direct web sales improve productivity for CDW customers and their account managers and allow CDW customers to shop directly online.

Gross profit margin was 15.5 percent this quarter compared to 14.6 percent in the same period of 2003. The increase is primarily due to improved product pricing, vendor rebates, and increased cooperative advertising. In the second quarter of 2004, \$25.7 million of vendor consideration was reclassified to cost of sales compared to \$17.3 million in the second quarter of 2003. This reclass is due to CDW's adoption of Emerging Issues Task Force ("EITF") Issue No. 02-16, "Accounting for Consideration Received from a Vendor by a Customer (Including a Reseller of the Vendors' Products)", on January 1, 2003.

Selling and administrative expenses as a percentage of sales were 6.8 percent this quarter compared to 6.4 percent in the second quarter of 2003. The increase is primarily due to the continued investment in expanding CDW's sales force and increases in certain administrative functions to support a larger business.

June 2004 average daily sales were \$22.4 million, compared to \$17.8 million in June 2003, representing a 26 percent increase. Total June 2004 sales were \$493 million compared to \$373 million in the prior period. June 2004 had 22 billing days and June 2003 had 21 billing days. Corporate and public sector segments both generated strong double-digit growth in June 2004.

Edwardson concluded, "Our outlook for the IT spending environment continues to be optimistic. We believe that as a 'mutual fund of technology companies,' we remain well positioned to outpace the market and grow profitably by providing our customers with the best service in the industry."

The company plans to release July sales on Thursday, August 12, 2004.

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. 376 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 3,700 coworkers. In 2003, the company generated net sales of approximately \$4.7 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 more than 100 factory-trained and A+ certified technicians on staff.

A live Web cast of CDW's management discussion of the second quarter will be available at www.cdw.com/investor. The Web cast will begin today, July 20, 2004, at 8:30 a.m. EDT / 7:30 a.m. CDT. An audio replay of the call will also be available at www.cdw.com/investor until July 30, 2004. 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 847-419-8234.

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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,	
	2004	2003	2004	2003
Net sales	\$ 1,382,904	\$ 1,075,296	\$ 2,719,593	\$ 2,092,915
Cost of sales	<u>1,168,374</u>	<u>918,838</u>	<u>2,300,600</u>	<u>1,789,069</u>
Gross profit	214,530	156,458	418,993	303,846
Selling and administrative expenses	94,096	68,760	190,162	137,071
Net advertising expense	<u>25,287</u>	<u>17,213</u>	<u>43,504</u>	<u>27,838</u>
Income from operations	95,147	70,485	185,327	138,937
Interest income	2,076	2,053	3,913	4,098
Other expense, net	<u>(626)</u>	<u>(435)</u>	<u>(1,037)</u>	<u>(840)</u>
Income before income taxes	96,597	72,103	188,203	142,195
Income tax provision	<u>38,322</u>	<u>28,481</u>	<u>74,635</u>	<u>56,167</u>
Net income	<u>\$ 58,275</u>	<u>\$ 43,622</u>	<u>\$ 113,568</u>	<u>\$ 86,028</u>
Earnings per share:				
Basic	<u>\$ 0.70</u>	<u>\$ 0.52</u>	<u>\$ 1.36</u>	<u>\$ 1.03</u>
Diluted	<u>\$ 0.67</u>	<u>\$ 0.51</u>	<u>\$ 1.30</u>	<u>\$ 1.00</u>
Weighted-average number of common shares outstanding:				
Basic	<u>83,537</u>	<u>83,354</u>	<u>83,678</u>	<u>83,659</u>
Diluted	<u>86,778</u>	<u>85,699</u>	<u>87,028</u>	<u>86,120</u>
Dividends per share	<u>\$ 0.36</u>	<u>\$ 0.00</u>	<u>\$ 0.36</u>	<u>\$ 0.00</u>

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

	<u>June 30,</u> <u>2004</u>	<u>December 31,</u> <u>2003</u>	<u>June 30,</u> <u>2003</u>
Assets			
Current assets:			
Cash, cash equivalents and marketable securities	\$ 605,276	\$ 562,360	\$ 553,148
Accounts receivable, net of allowance for doubtful accounts of \$10,505, \$10,057 and \$9,500 respectively	514,410	444,000	355,150
Merchandise inventory	188,912	183,890	147,511
Prepaid income taxes	-	-	1,996
Miscellaneous receivables	27,924	28,517	18,862
Deferred income taxes	12,147	12,147	11,757
Prepaid expenses	2,854	3,994	2,649
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Total current assets	1,351,523	1,234,908	1,091,073
Property and equipment, net	63,950	62,323	62,193
Other assets	15,583	14,401	10,755
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Total assets	<u>\$ 1,431,056</u>	<u>\$ 1,311,632</u>	<u>\$ 1,164,021</u>
 Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	\$ 215,855	\$ 157,079	\$ 141,478
Accrued expenses and other current liabilities	100,181	91,384	50,605
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Total current liabilities	316,036	248,463	192,083
Minority interest	2,374	1,985	-
Shareholders' equity:			
Total shareholders' equity	1,112,646	1,061,184	971,938
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Total liabilities and shareholders' equity	<u>\$ 1,431,056</u>	<u>\$ 1,311,632</u>	<u>\$ 1,164,021</u>

CDW CORPORATION AND SUBSIDIARIES
SEGMENT REPORTING INFORMATION
(in thousands)

	Three Months Ended June 30, 2004			
	Corporate	Public Sector	Eliminations	Consolidated
External customer sales	\$ 1,067,783	\$ 315,121	\$ -	\$ 1,382,904
Transfers between segments	<u>302,461</u>	<u>-</u>	<u>(302,461)</u>	<u>-</u>
Total net sales	<u>\$ 1,370,244</u>	<u>\$ 315,121</u>	<u>\$ (302,461)</u>	<u>\$ 1,382,904</u>
Income from operations	<u>\$ 86,237</u>	<u>\$ 8,910</u>	<u>\$ -</u>	\$ 95,147
Net interest income and other expense				<u>1,450</u>
Income before income taxes				<u>\$ 96,597</u>
Total assets	<u>\$ 1,393,151</u>	<u>\$ 185,750</u>	<u>\$ (147,845)</u>	<u>\$ 1,431,056</u>

	Three Months Ended June 30, 2003			
	Corporate	Public Sector	Eliminations	Consolidated
External customer sales	\$ 817,607	\$ 257,689	\$ -	\$ 1,075,296
Transfers between segments	<u>244,222</u>	<u>-</u>	<u>(244,222)</u>	<u>-</u>
Total net sales	<u>\$ 1,061,829</u>	<u>\$ 257,689</u>	<u>\$ (244,222)</u>	<u>\$ 1,075,296</u>
Income from operations	<u>\$ 63,735</u>	<u>\$ 6,750</u>	<u>\$ -</u>	\$ 70,485
Net interest income and other expense				<u>1,618</u>
Income before income taxes				<u>\$ 72,103</u>
Total assets	<u>\$ 1,097,599</u>	<u>\$ 95,625</u>	<u>\$ (29,203)</u>	<u>\$ 1,164,021</u>

CDW CORPORATION AND SUBSIDIARIES
SEGMENT REPORTING INFORMATION
(in thousands)

	Six Months Ended June 30, 2004			
	Corporate	Public Sector	Eliminations	Consolidated
External customer sales	\$ 2,156,905	\$ 562,688	\$ -	\$ 2,719,593
Transfers between segments	<u>532,086</u>	<u>-</u>	<u>(532,086)</u>	<u>-</u>
Total net sales	<u>\$ 2,688,991</u>	<u>\$ 562,688</u>	<u>\$ (532,086)</u>	<u>\$ 2,719,593</u>
Income from operations	<u>\$ 171,469</u>	<u>\$ 13,858</u>	<u>\$ -</u>	\$ 185,327
Net interest income and other expense				<u>2,876</u>
Income before income taxes				<u>\$ 188,203</u>
Total assets	<u>\$ 1,393,151</u>	<u>\$ 185,750</u>	<u>\$ (147,845)</u>	<u>\$ 1,431,056</u>

	Six Months Ended June 30, 2003			
	Corporate	Public Sector	Eliminations	Consolidated
External customer sales	\$ 1,651,773	\$ 441,142	\$ -	\$ 2,092,915
Transfers between segments	<u>419,155</u>	<u>-</u>	<u>(419,155)</u>	<u>-</u>
Total net sales	<u>\$ 2,070,928</u>	<u>\$ 441,142</u>	<u>\$ (419,155)</u>	<u>\$ 2,092,915</u>
Income from operations	<u>\$ 129,106</u>	<u>\$ 9,831</u>	<u>\$ -</u>	\$ 138,937
Net interest income and other expense				<u>3,258</u>
Income before income taxes				<u>\$ 142,195</u>
Total assets	<u>\$ 1,097,599</u>	<u>\$ 95,625</u>	<u>\$ (29,203)</u>	<u>\$ 1,164,021</u>

CDW CORPORATION AND SUBSIDIARIES
OPERATING DATA

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Commercial customers served (1):				
Current period	209,291	176,393	307,898	251,254
Trailing 12 months	450,620	361,200	450,620	361,200
% of sales to commercial customers	98.1%	98.1%	97.9%	97.9%
Number of invoices processed	1,556,292	1,262,218	3,206,300	2,547,067
Average invoice size	\$969	\$911	\$922	\$880
Direct web sales (000's)	\$369,575	\$242,193	\$731,362	\$474,333
Sales force, end of period	1,750	1,367	1,750	1,367
Annualized inventory turnover	26	26	25	24
Accounts receivable - days sales outstanding	34	30	34	31

(1) Commercial customers are defined as public sector and corporate customers excluding consumers.