



**Computing Solutions  
Built for Business™**

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Traded: Nasdaq: CDWC

<b>CDW Computer Centers, Inc.</b>	<b>Fleishman-Hillard (Chicago)</b>
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July 20, 1999

**CDW COMPUTER CENTERS, INC. REPORTS 42 PERCENT EPS GROWTH  
AND 46 PERCENT SALES INCREASE**

**Second Quarter Highlights:**

- ◆ Twenty-fourth consecutive quarter of sequential sales growth as a public company
- ◆ 46 percent growth in net sales
- ◆ EPS increases 42 percent
- ◆ Direct Web sales increase 169 percent to \$36.2 million
- ◆ 2-for-1 stock split paid on May 19, 1999

<b>Financial &amp; Operating Data</b> Reflects 2-for-1 stock split paid May 19, 1999	<b>Three Months Ended</b>		<b>% Change</b>	<b>Six Months Ended</b>		<b>% Change</b>
	6/30/99	6/30/98		6/30/99	6/30/98	
Net Sales (000's)	\$597,554	\$408,945	46%	\$1,136,960	\$793,536	43%
Income from Operations (000's)	\$ 36,068	\$ 24,856	45%	\$ 67,753	\$ 48,211	41%
Net Income (000's)	\$ 22,301	\$ 15,588	43%	\$ 41,999	\$ 30,358	38%
Basic Earnings Per Share	\$ 0.52	\$ 0.36	44%	\$ 0.97	\$ 0.70	39%
Diluted Earnings Per Share	\$ 0.51	\$ 0.36	42%	\$ 0.96	\$ 0.70	37%
<b>Operating Data</b>						
Number of Orders Shipped	616,603	557,410	11%	1,240,755	1,135,659	9%
Average Order Size	\$ 969	\$ 734	32%	\$ 916	\$ 699	31%
Number of Account Executives	617	520	19%			
Customers Serviced – Commercial	117,000	101,000	16%	177,000	156,000	13%
% of Sales to Commercial Customers	92.6%	87.2%	5%	91.5%	85.8%	6%

*“Our exceptional second quarter results validate the key premise of our business strategy, which is that our commercial customers want a complete solutions provider. Commercial customers, our largest segment, need knowledgeable account managers who are supported by vast technical resources and a robust Web site. Our high level of technical service and customer support is demonstrated by over 700 custom configurations per day. We provide customized service and solutions through our Web site, [www.cdw.com](http://www.cdw.com), which was recently redesigned and is the foundation for more than 18,000 active customized extranet sites for our customers. We are committed to motivating our coworkers, increasing our resources and refining our business strategies to continue to outperform the industry and generate future profitable growth.”* Michael P. Krasny, Chairman and Chief Executive Officer

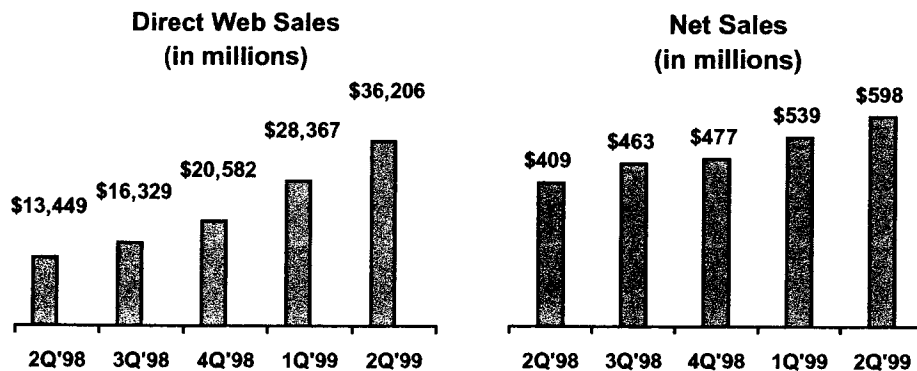
**Vernon Hills, Illinois, July 20, 1999** --- CDW Computer Centers, Inc. (Nasdaq: CDWC) today announced record sales and earnings for the second quarter and six months ended June 30, 1999.

Net sales for the second quarter increased 46 percent to \$597.5 million from \$408.9 million in the same period of 1998. Net income for the quarter rose 43 percent to \$22.3 million from \$15.6 million in the second quarter of 1998. Diluted earnings per share increased 42 percent to \$0.51 in the second quarter of 1999 from \$0.36 in the same period of 1998.

Net sales for the six months ended June 30, 1999 increased 43 percent to \$1.137 billion from \$793.5 million in the same period of 1998. Net income for the six months ended June 30, 1999 was \$42.0 million, a 38 percent increase over \$30.4 million reported in the first six months of 1998. Diluted earnings per share of \$0.96 increased 37% from \$0.70 in the first six months of 1998.

All earnings per share amounts reflect the 2-for-1 stock split effected in the form of a stock dividend, which was paid on May 19, 1999.

“Our investments over the past 18 months in our sales account managers, [www.cdw.com](http://www.cdw.com), branding campaign and custom configuration capabilities are all contributing to our profitable growth,” said Michael P. Krasny, Chairman and Chief Executive Officer. “Our capabilities match the services required from our commercial customer base, where demand remained strong throughout the second quarter, clearly enabling us to gain market share.”



Add-on boards/memory, notebooks, networking and communication and software were the fastest-growing product categories, all with sales growth rates exceeding 40 percent. Notebook computers, which remained the largest product category at 20 percent of net sales, increased 48 percent in net sales dollars compared to the second quarter of 1998. Desktop computers, which include servers, increased over 36 percent. “Average unit selling prices increased 5.5 percent for desktop computers and decreased 2.4 percent for notebooks, as we have seen some price stabilization and a higher mix of server sales,” said Gregory Zeman, CDW’s president.

Zeman added, “The maturation of our sales force, combined with an intense focus on our commercial account base, resulted in increased productivity from our sales force and a 33 percent increase in sales per active commercial account. We continue to aggressively hire and train new account managers, with 144 people in various phases of training as of June 30, 1999.”

In the second quarter, direct Web sales grew 169 percent over the second quarter of 1998 and 28 percent over the first quarter of 1999. “We are aggressively implementing CDW@work™, our customized Web sites for commercial customers, with more than 18,000 active sites. Both [www.cdw.com](http://www.cdw.com) and CDW@work serve as

information and productivity tools for our customers, enabling our account managers to secure longstanding relationships and generate incremental sales," said Zeman.

Gross profit margin was 12.5 percent of net sales in the second quarter of 1999, versus 12.6 percent in the second quarter of 1998. The Company's gross profit as a percentage of net sales may vary on a quarterly basis based upon vendor support programs, including inventory price protection policies, product mix, pricing strategies, market conditions and other factors. As a result, there is no certainty that the Company will be able to sustain the gross profit margin levels achieved in recent quarters.

Selling and administrative expenses, as a percentage of net sales, decreased to 6.5 percent in the second quarter of 1999 from 6.6 percent in the same period of 1998. On a forward-looking basis, selling and administrative costs may increase as a percentage of net sales due to investments in new sales account managers and new marketing initiatives.

Annualized inventory turnover increased to approximately 26 times for the quarter, versus 24 in the second quarter of 1998. Working capital as of June 30, 1999 was \$274.6 million, including approximately \$77.7 million in cash, cash equivalents and marketable securities.

*The statements in this release concerning the Company's gross margin percentage and selling and administrative costs and other statements of a non-historical basis (including statements regarding implementing strategies for future growth, the ability of the Company to sustain its model of profitable growth and the expected benefits of the Company's electronic commerce strategy) are forward-looking statements that involve certain risks and uncertainties. Such risks and uncertainties include 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 and the ability of the Company to hire and retain qualified account managers.*

**About CDW Computer Centers, Inc.**

CDW® (NASDAQ: CDWC), a Fortune 1000 company, is a leading direct solutions provider, offering complete, customized computing solutions for businesses and consumers nationwide. With competitive prices on a selection of thousands of brand name computer products, CDW is the No. 1 authorized direct source of Compaq, Computer Associates, IBM, Microsoft, Toshiba and other top name brands. Founded in 1984 as a one-man, home-based business, CDW today employs more than 1,700 coworkers. CDW's pioneering direct model offers personalized expertise through one-on-one relationships with highly-trained, knowledgeable account managers; telephone and online purchasing; custom configured solutions; next day shipping; and lifetime phone and online technical support, with more than 70 factory-trained and A+ certified technicians on staff.

**About cdw.com**

With more than 60,000 unique visitors each day on its award-winning Web site—[www.cdw.com](http://www.cdw.com)—CDW brings online commerce to new heights with automated pricing and availability alerts, online shopping lists, sophisticated search capabilities, and innovative promotions and product giveaways. Nearly 48,000 computer products – with detailed specifications for more than 20,000 – are available to search and order online, making the Company's Web site an integral component of its business.

***For more information about CDW:***

**Visit CDW on the Internet at <http://www.cdw.com>**

**Contact CDW Investor Relations via the Internet at [shserv@cdw.com](mailto:shserv@cdw.com)**

**Or by telephone at 847-419-8234.**

**-TABLES FOLLOW-**

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	1998	1999	1998
Net sales	\$ 597,554	\$ 408,945	\$ 1,136,960	\$ 793,536
Cost of sales	522,807	357,238	994,307	692,682
Gross profit	74,747	51,707	142,653	100,854
Selling and administrative expenses	38,679	26,851	74,900	52,643
Income from operations	36,068	24,856	67,753	48,211
Interest income	961	1,042	2,003	2,211
Other expense	(108)	(91)	(221)	(162)
Income before income taxes	36,921	25,807	69,535	50,260
Income tax provision	14,620	10,219	27,536	19,902
Net income	<u>\$ 22,301</u>	<u>\$ 15,588</u>	<u>\$ 41,999</u>	<u>\$ 30,358</u>
Earnings per share				
Basic	\$ 0.52	\$ 0.36	\$ 0.97	\$ 0.70
Diluted	<u>\$ 0.51</u>	<u>\$ 0.36</u>	<u>\$ 0.96</u>	<u>\$ 0.70</u>
Weighted average number of common shares outstanding				
Basic	43,118	43,092	43,094	43,092
Diluted	43,925	43,364	43,904	43,436

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**CDW COMPUTER CENTERS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands)  
(unaudited)

	June 30, 1999	December 31 1998
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Current assets :		
Cash, cash equivalents and marketable securities	\$ 77,703	\$ 70,688
Accounts receivable, net of allowance for doubtful accounts of \$4,000 and \$3,185, respectively	213,328	152,308
Miscellaneous receivables	8,031	5,896
Merchandise inventory	81,064	64,392
Prepaid expenses and other current assets	1,015	1,423
Deferred income taxes	<u>5,081</u>	<u>5,081</u>
Total current assets	386,222	299,788
Property and equipment, net	38,719	37,056
Deferred income taxes and other assets	<u>5,575</u>	<u>4,977</u>
Total assets	<u>\$ 430,516</u>	<u>\$ 341,821</u>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities :		
Accounts payable	\$ 78,440	\$ 41,358
Accrued expenses and other current liabilities	30,664	26,985
Accrued exit costs	<u>2,547</u>	<u>2,715</u>
Total current liabilities	111,651	71,058
Shareholders' equity	<u>318,865</u>	<u>270,763</u>
Total liabilities and shareholders' equity	<u>\$ 430,516</u>	<u>\$ 341,821</u>