



**Computing Solutions
Built for Business™**

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Traded: Nasdaq: CDWC

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October 21, 1998

CDW COMPUTER CENTERS, INC. REPORTS 32% EPS Growth

Third Quarter Highlights:

- ◆ Twenty-first consecutive quarter of sequential sales growth as a public company
- ◆ 43% growth in net sales
- ◆ Net income increases 32%
- ◆ CDW Account Managers increase to 625
- ◆ Established CDW-G, subsidiary to serve the governmental and educational markets
- ◆ Branding campaign launched
- ◆ Initiated stock re-purchase

Financial & Operating Data	Three Months Ended		%	Change	Nine Months Ended		%	Change
	9/30/98	9/30/97			9/30/98	9/30/97		
Net Sales (000's)	\$462,720	\$323,901	43%		\$1,256,256	\$926,223	36%	
Income from Operations (000's)	\$ 27,156	\$ 20,412	33%		\$ 75,367	\$ 58,399	29%	
Net Income (000's)	\$ 17,141	\$ 13,001	32%		\$ 47,499	\$ 37,060	28%	
Basic Earnings Per Share	\$ 0.80	\$ 0.60	33%		\$ 2.20	\$ 1.72	28%	
Diluted Earnings Per Share	\$ 0.79	\$ 0.60	32%		\$ 2.19	\$ 1.71	28%	
Operating Data								
Number of Orders Shipped	595,076	440,369	35%		1,730,735	1,310,296	32%	
Average Order Size	\$ 778	\$ 736	6%		\$ 726	\$ 707	3%	
Number of Account Executives	625	336	86%					
Customers Serviced	212,017	184,243	15%		499,222	443,181	13%	
Customers Serviced -Trailing 12 Months	624,327	542,312	15%					

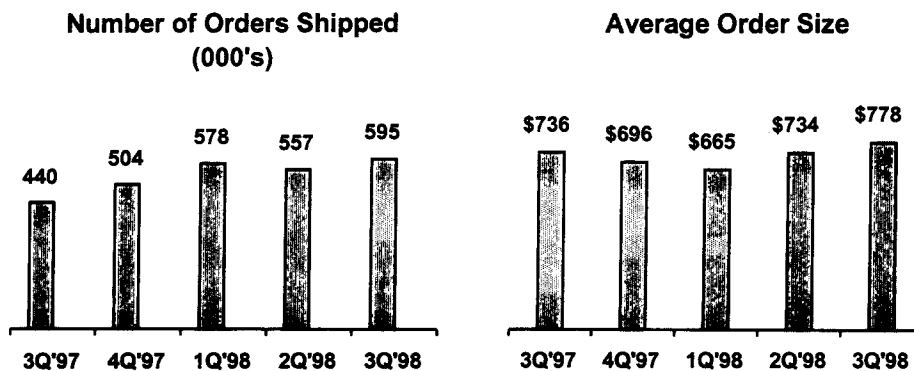
"CDW's consistent growth remains the one constant in an industry rife with change. CDW's coworkers overcame industry issues, including limited product availability, to produce an impressive 43% growth in net sales. We are particularly pleased that this was the second consecutive quarter that we increased our rate of sales growth. Our strong fundamentals make this an opportune time to launch our first corporate branding campaign to position CDW as the leading direct solutions provider to business." ---Michael P. Krasny, Chairman and Chief Executive Officer

Vernon Hills, Illinois, October 21, 1998 --- CDW Computer Centers, Inc. (Nasdaq: CDWC) today announced record sales and earnings for the third quarter ended September 30, 1998.

Net sales for the third quarter increased 43% to \$462.7 million from \$323.9 million in the same period of 1997. Net income for the quarter rose 32% to \$17.1 million from \$13.0 million in the third quarter of 1997. Diluted earnings per share increased 32% to \$0.79 in the third quarter of 1998 from \$0.60 in the same period of 1997.

Net sales for the nine months ended September 30, 1998 increased 36% to \$1.26 billion from \$926.2 million in the same period of 1997. Net income for the nine months ended September 30, 1998 was \$47.5 million, a 28% increase over \$37.1 million reported in the first nine months of 1997. Diluted earnings per share of \$2.19 increased 28% from \$1.71 in the first nine months of 1997.

“We are extremely pleased with the accelerated growth achieved in the third quarter. Our success is a result of the recent expansion of our sales force, combined with strong demand from corporate, government and educational accounts,” said Michael P. Krasny, chairman and chief executive officer. “Sales to these commercial customers accounted for 89% of net sales, an increase from 82% in the third quarter of 1997.”



Desktop computers were the fastest growing product category in the third quarter of 1998, with net sales dollars increasing approximately 70% and unit volume increasing 86% over the third quarter of 1997. The other fastest growing product categories, based on the percentage increase in dollar sales over the third quarter of 1997, were network and communications products, data storage devices, software and printers. Notebook computers, the largest product category at 19% of net sales, increased approximately 6% in net sales dollars over the third quarter of 1997. Notebook and desktop sales dollars increased 11% and 6%, respectively, from the second quarter of 1998 as the introduction of new models resulted in higher average unit prices.

Greg Zeman, CDW's president said, “We were challenged during the quarter by limited product availability from certain vendors. The diversity of our vendors and product mix enabled us to overcome this issue and supply our customers with the computing solutions they demand.” Zeman added, “The results of our Web site, www.cdw.com, continue to improve with the number of average daily users growing to more than 57,000 in the third quarter, an increase of approximately 21.3% from the second quarter of 1998. The Web serves as an information and productivity tool for many of our customers and also generated identifiable net sales in excess of \$28.0 million in the quarter.”

Gross profit margin was 12.7% of net sales in the third 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, were relatively consistent at 6.9% in the third quarter of 1998 versus 7.0% in the same quarter of 1997. Selling and administrative expenses include \$650,000 and \$170,000 in the third quarter of 1998 and 1997, respectively, related to litigation with a former shareholder of the Company. The Company's Chairman and CEO has indemnified the Company for all legal costs and settlements, if any, related to the litigation. 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, new marketing initiatives and future costs related to the aforementioned litigation.

Annualized inventory turnover increased to approximately 31 times for the quarter versus 20 in the third quarter of 1997. This increase is primarily the result of CDW's participation in the build-to-order strategies of the major manufacturers that seek to reduce inventory levels in the channel and some product shortages. Working capital as of September 30, 1998 was \$208.7 million, including approximately \$75.4 million in cash, cash equivalents and marketable securities.

"We recently announced that CDW is temporarily re-opening our former location in Buffalo Grove, Ill. as a telemarketing facility. Our expansion into Buffalo Grove provides a cost-effective interim solution to our facility requirements as we aggressively expand our sales force. In the meantime, we are reviewing development alternatives for our Vernon Hills campus, where we have approximately 18 acres of vacant land for future expansion," said Krasny.

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) 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 business 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 1,400 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 close to 60 factory-trained and A+ certified technicians on staff.

About cdw.com

With more than 57,000 unique visitors and more than 523,000 hits daily on its award-winning Web site—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 37,000 computer products – with detailed specifications for over 10,000 – 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@admin.cdw.com
Or by telephone at 847-419-8234.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1998	1997	1998	1997
Net sales	\$ 462,720	\$ 323,901	\$ 1,256,256	\$ 926,223
Cost of sales	<u>403,857</u>	<u>280,921</u>	<u>1,096,539</u>	<u>801,643</u>
Gross profit	58,863	42,980	159,717	124,580
Selling and administrative expenses	<u>31,707</u>	<u>22,568</u>	<u>84,350</u>	<u>66,181</u>
Income from operations	27,156	20,412	75,367	58,399
Interest income	1,305	1,194	3,516	3,183
Other expense	<u>(77)</u>	<u>(63)</u>	<u>(239)</u>	<u>(174)</u>
Income before income taxes	28,384	21,543	78,644	61,408
Income tax provision	<u>11,243</u>	<u>8,542</u>	<u>31,145</u>	<u>24,348</u>
Net income	<u>\$ 17,141</u>	<u>\$ 13,001</u>	<u>\$ 47,499</u>	<u>\$ 37,060</u>
Earnings per share				
Basic	\$ 0.80	\$ 0.60	\$ 2.20	\$ 1.72
Diluted	<u>\$ 0.79</u>	<u>\$ 0.60</u>	<u>\$ 2.19</u>	<u>\$ 1.71</u>
Weighted average number of common shares outstanding				
Basic	21,538	21,525	21,543	21,525
Diluted	21,672	21,761	21,702	21,703

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

(in thousands)
(unaudited)

	<u>September 30, 1998</u>	<u>December 31, 1997</u>
ASSETS		
Current assets :		
Cash, cash equivalents and marketable securities	\$ 75,367	\$ 79,425
Accounts receivable, net of allowance for doubtful accounts of \$2,885 and \$1,950, respectively	136,143	87,524
Miscellaneous receivables	6,071	3,960
Merchandise inventory	55,289	61,941
Prepaid expenses and other current assets	823	759
Deferred income taxes	<u>3,587</u>	<u>3,587</u>
Total current assets	277,280	237,196
Property and equipment, net	35,701	26,704
Deferred income taxes and other assets	<u>5,603</u>	<u>5,741</u>
Total assets	<u>\$ 318,584</u>	<u>\$ 269,641</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities :		
Accounts payable	\$ 45,923	\$ 44,451
Accrued expenses and other current liabilities	19,800	21,933
Accrued exit costs	<u>2,837</u>	<u>3,391</u>
Total current liabilities	68,560	69,775
Shareholders' equity	<u>250,024</u>	<u>199,866</u>
Total liabilities and shareholders' equity	<u>\$ 318,584</u>	<u>\$ 269,641</u>

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