



**We're moving in the
Spring/Summer of '97!**

OUR NEW ADDRESS WILL BE

**200 N. Milwaukee Ave.
Vernon Hills, IL 60061**

www.cdw.com

Traded: Nasdaq: CDWC

| AT THE COMPANY | FINANCIAL RELATIONS BOARD - CHICAGO | | |
|---|---------------------------------------|---|---|
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JANUARY 22, 1997

CDW COMPUTER CENTERS, INC. REPORTS RECORD SALES AND EARNINGS

Fourth Quarter Highlights:

- 46% growth in net sales
- 71% growth in net income
- Fourteenth consecutive quarter of sequential sales growth as a public company
- Operating margin expands to 6.5% of net sales

| Financial & Operating Data <small>*Reflects 3-for-2 stock split paid July 15, 1996</small> | Three Months | | % Change | Twelve Months | | % Change |
|---|--------------|-----------|-------------|---------------|-----------|-------------|
| | 12/31/96 | 12/31/95 | | 12/31/96 | 12/31/95 | |
| Net Sales (000's) | \$262,173 | \$180,100 | 46% | \$927,895 | \$628,721 | 48% |
| Income from Operations (000's) | \$16,967 | \$9,508 | 78% | \$53,603 | \$30,978 | 73% |
| Net Income (000's) | \$10,693 | \$6,270 | 71% | \$34,400 | \$20,059 | 71% |
| Net Income Per Share | \$0.49 | \$0.29 | 69% | \$1.58 | \$0.95 | 66% |
| O/S Shares (000's) | 21,850 | 21,597 | 1% | 21,785 | 21,080 | 3% |
| Pro forma - Excluding Exit Charge | | | | | | |
| Income from Operations (000's) | | | | \$56,803 | \$30,978 | 83% |
| Net Income (000's) | | | | \$36,352 | \$20,059 | 81% |
| Net Income Per Share | | | | \$1.67 | \$0.95 | 76% |
| Operating Data | | | | | | |
| Number of Orders Shipped (000's) | 374 | 285 | 31% | 1,318 | 998 | 32% |
| Average Order Size | \$700 | \$632 | 11% | \$704 | \$630 | 12% |
| Catalogs Mailed (000's) | 16,252 | 9,691 | 68% | 54,758 | 33,127 | 65% |
| Customers Serviced (000's) | 174 | 144 | 21% | 462 | 374 | 23% |
| Pages of National Advertising Placed | 281 | 169 | 66% | 763 | 565 | 35% |

" Our fourth quarter results once again prove the efficiency of our operating model and the effectiveness of over 700 co-workers in providing outstanding service to our customers every day. While our success to date has been considerable, we are hardly satisfied and are committed to improving all facets of our business. As we move into the new year our people, systems and business model, combined with innovative new products from our vendors, should provide a solid platform from which to continue our growth. "

-- Michael P. Krasny, Chairman and Chief Executive Officer

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1020 E. Lake Cook Road, Buffalo Grove, IL 60089, (847) 465-6000 FAX (847) 465-6800

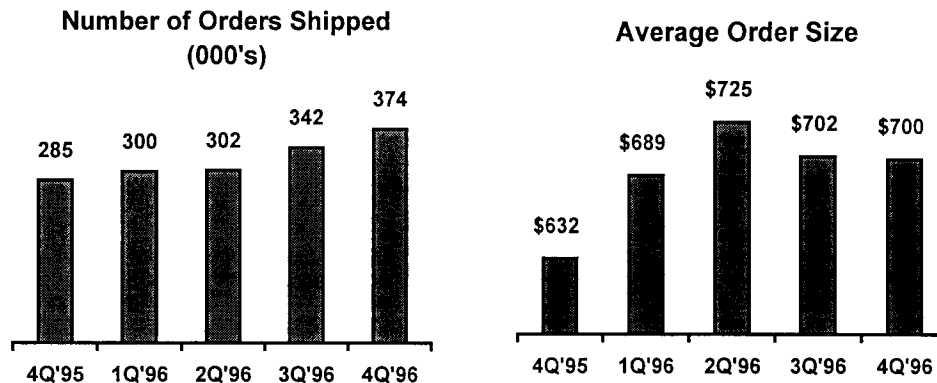
315 W. Grand Avenue, Chicago, IL 60610, (312) 527-2700 FAX (312) 527-2798

Buffalo Grove, Illinois, January 22, 1997 — CDW Computer Centers, Inc. (“CDW”) today announced record sales and earnings for the fourth quarter and year ended December 31, 1996, driven by strong sales of CPU products.

Net sales for the fourth quarter increased 46% to \$262,173,000 from \$180,100,000 in the same period of 1995. Net income for the quarter totaled \$10,693,000, a 71% increase over \$6,270,000 in the fourth quarter of 1995. Earnings per share of \$0.49 for the fourth quarter of 1996 increased 69% from \$0.29 in the same period of 1995.

Net sales for the year ended December 31, 1996 increased 48% to \$927,895,000 from \$628,721,000 in 1995. Net income for the year ended December 31, 1996 was \$34.4 million, a 71% increase over \$20.1 million reported in 1995. Net income in the 1996 period was reduced by a pre-tax charge to earnings in the first quarter of \$3,200,000, which includes a \$4,000,000 non-recurring charge for the estimated costs of exiting the Company’s current facility and a related \$800,000 reduction in the executive incentive bonus pool. Earnings per share of \$1.58 increased 66% from \$0.95 for 1995. Pro forma net income and earnings per share for the year ended December 31, 1996, excluding the impact of the exit charge, were \$36.4 million and \$1.67 per share, representing increases of 81% and 76%, respectively, over 1995. All earnings per share amounts reflect the 3-for-2 stock split effected in the form of a stock dividend, which was paid on July 15, 1996.

“Our diverse product mix and intense marketing efforts propelled fourth quarter growth as we added more customers and serviced our existing customer base. Our marketing and sales efforts resulted in the number of customers growing 23% to 462,000 for the year ended December 31, 1996,” said Michael P. Krasny, chairman and chief executive officer.



“Multi-media products and input devices, software, notebook/laptop computers, data storage devices and desktop computers were our fastest growing product categories in the fourth quarter of 1996 versus the fourth quarter of 1995. Sales of notebook/laptop computers and desktop computers comprised approximately 39% of our net sales in the fourth quarter. New desktop computer product lines added to our product offerings from IBM, Compaq and Hewlett-Packard contributed to a 40% increase in desktop computer sales volume over the third quarter of 1996, while notebook/laptop computer sales volume was essentially flat with the third quarter of 1996,” said Gregory C. Zeman, CDW’s president.

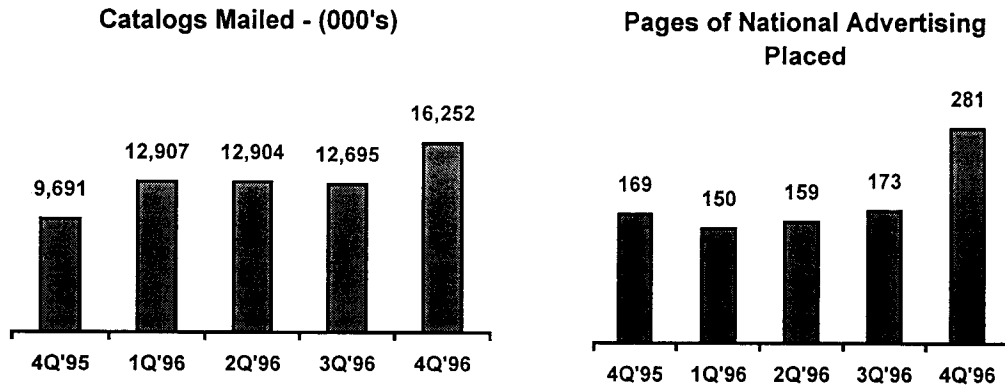
“The sales outlook for the first quarter is favorable as sales and customer demand have remained strong through the first 21 days of January, including strong notebook sales. Additionally, we plan to increase our sales force and intensify our marketing efforts as we begin the new year. We continue to aggressively seek opportunistic buys from our vendors such as a 133 MHz notebook computer with an active matrix color screen and an 800 MB hard drive currently offered for \$1,699.00,” said Zeman.

Fourth quarter gross profit margin was 13.2% of net sales versus 12.7% in the fourth quarter of 1995 and 13.1% in the third quarter of 1996. The Company’s gross profit as a percentage of net sales may vary on a quarterly basis based upon product mix, market conditions, vendor support programs, the value of the dollar and other factors. As a result, there is no certainty that the Company will be able to sustain the gross profit margin at the levels achieved in recent quarters.

Selling and administrative expense decreased to 6.7% of net sales in the fourth quarter versus 7.5% in the same quarter of 1995. The decrease relates primarily to a decrease in net advertising expense as a percentage of net sales. The improvement in net advertising expense is due to the combined effect of improved productivity of our marketing efforts, thereby reducing gross advertising expense as a percentage of net sales, and increased cooperative advertising reimbursements from vendors. The Company plans to increase its marketing efforts in future quarters

which may result in an increase in net advertising expense as a percentage of net sales and lower operating margins than those achieved in the fourth quarter of 1996.

“Our marketing activities in the fourth quarter included special holiday promotions in national trade magazines and increased catalog circulation. Total catalog circulation grew 68% to over 16 million catalogs for the three months ended December 31, 1996 versus the same period in the prior year, and also increased by 28% from the third quarter of 1996,” Zeman added.



Annualized inventory turnover was approximately 21 and 23 times for the three and twelve months ended December 31, 1996, respectively, versus 20 and 22 times for the same periods a year ago. Working capital as of December 31, 1996 was approximately \$124 million with approximately \$75 million in cash, cash equivalents and marketable securities.

“Construction of our new warehouse, distribution, telemarketing and corporate office facility is on schedule for occupancy in the third quarter of 1997,” said Krasny. “Our new facility should provide the capacity necessary to execute our cost-efficient operating model while continuing our growth.”

The statements in this release concerning the Company's sales prospects are forward-looking statements that involve certain risks and uncertainties, including the continued acceptance of the Company's distribution channel by vendors and customers, the timely availability and acceptance of new products, in particular, notebook/laptop computers, and continuation of key vendor relationships. The statement in this release concerning future advertising expense is a forward looking statement that involves certain uncertainties including the ability to identify and implement cost-effective incremental advertising and marketing programs.

CDW Computer Centers, Inc. is a leading direct marketer of brand name microcomputer products. Inbound and outbound account executives are dedicated to providing superior customer service at the best price. CDW offers a broad range of over 20,000 MS-DOS/Microsoft Windows and Apple/Macintosh-based microcomputer products, including hardware, peripherals, accessories, networking and software. Customers can place orders and obtain product information by calling a CDW account executive at 1-800-884-4CDW, or by visiting CDW on the Internet at <http://www.cdw.com>. The Company's common stock is traded on the Nasdaq National Market under the symbol CDWC.

For more information about CDW:

Via fax dial 1-800-PRO-INFO and enter the ticker symbol – CDWC.

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.

-TABLES FOLLOW-

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

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|------------------------------------|-----------------|-------------------------------------|------------------|
| | 1996 | 1995 | 1996 | 1995 |
| Net sales | \$ 262,173 | \$ 180,100 | \$ 927,895 | \$ 628,721 |
| Cost of sales | <u>227,540</u> | <u>157,175</u> | <u>805,413</u> | <u>548,568</u> |
| Gross profit | 34,633 | 22,925 | 122,482 | 80,153 |
| Selling and administrative expenses | 17,666 | 13,417 | 64,879 | 49,175 |
| Exit charge | <u>-</u> | <u>-</u> | <u>4,000</u> | <u>-</u> |
| Income from operations | 16,967 | 9,508 | 53,603 | 30,978 |
| Interest income, net | 896 | 741 | 3,469 | 1,973 |
| Other income (expense) | <u>(42)</u> | <u>30</u> | <u>(188)</u> | <u>47</u> |
| Income before income taxes | 17,821 | 10,279 | 56,884 | 32,998 |
| Income tax provision | <u>7,128</u> | <u>4,009</u> | <u>22,484</u> | <u>12,939</u> |
| Net income | <u>\$ 10,693</u> | <u>\$ 6,270</u> | <u>\$ 34,400</u> | <u>\$ 20,059</u> |
| Net income per share* | <u>\$ 0.49</u> | <u>\$ 0.29</u> | <u>\$ 1.58</u> | <u>\$ 0.95</u> |
| Weighted average number of common and common equivalent shares outstanding* | 21,850 | 21,597 | 21,785 | 21,080 |

*All amounts reflect a three-for-two stock split effected in the form of a stock dividend paid on July 15, 1996.

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

| | <u>December 31,</u> 1996 | <u>December 31,</u> 1995 |
|---|-----------------------------|-----------------------------|
| ASSETS | | |
| Current assets : | | |
| Cash, cash equivalents and marketable securities | \$ 74,952 | \$ 57,169 |
| Accounts receivable, net of allowance for doubtful accounts of \$1,100 and \$625, respectively | 57,396 | 37,561 |
| Miscellaneous receivables | 3,931 | 2,362 |
| Merchandise inventory | 41,462 | 27,422 |
| Prepaid expenses and other current assets | 823 | 206 |
| Deferred income taxes | 2,258 | 1,175 |
| Total current assets | 180,822 | 125,895 |
| Property and equipment, net | 3,636 | 3,474 |
| Construction in progress | 8,659 | - |
| Deferred income taxes and other assets | 5,713 | 3,560 |
| Total assets | <u>\$ 198,830</u> | <u>\$ 132,929</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities : | | |
| Accounts payable | \$ 36,642 | \$ 19,436 |
| Accrued expenses and other current liabilities | 16,579 | 7,332 |
| Accrued exit costs | 3,987 | - |
| Total current liabilities | 57,208 | 26,768 |
| Shareholders' equity | 141,622 | 106,161 |
| Total liabilities and shareholders' equity | <u>\$ 198,830</u> | <u>\$ 132,929</u> |

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