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Computing Solutions
Built for Business™

Traded: Nasdaq: CDWC

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January 21, 1999

CDW COMPUTER CENTERS, INC. REPORTS 31 PERCENT EPS GROWTH

Fourth Quarter Highlights:

- ◆ Twenty-second consecutive quarter of sequential sales growth as a public company
- ◆ 36 percent growth in net sales
- ◆ Net income increases 32 percent
- ◆ Branding campaign launched
- ◆ Named No. 36 on Fortune's 100 Best Companies to Work For in America
- ◆ Received Better Business Bureau Torch Award for Marketplace Ethics

Financial & Operating Data	Three Months Ended		Percent Change	Twelve Months Ended		Percent Change
	12/31/98	12/31/97		12/31/98	12/31/97	
Net Sales (000's)	\$477,233	\$350,706	36%	\$1,733,489	\$1,276,929	36%
Income from Operations (000's)	\$ 29,271	\$ 22,091	33%	\$ 104,638	\$ 80,490	30%
Net Income (000's)	\$ 18,342	\$ 13,941	32%	\$ 65,841	\$ 51,001	29%
Basic Earnings Per Share	\$ 0.85	\$ 0.65	31%	\$ 3.06	\$ 2.37	29%
Diluted Earnings Per Share	\$ 0.84	\$ 0.64	31%	\$ 3.03	\$ 2.35	29%
Operating Data						
Number of Orders Shipped	595,883	504,092	18%	2,326,618	1,814,388	28%
Average Order Size	\$ 801	\$ 696	15%	\$ 745	\$ 704	6%
Number of Account Executives	622	399	56%			
Customers Serviced	229,392	218,006	5%	634,264	575,477	10%

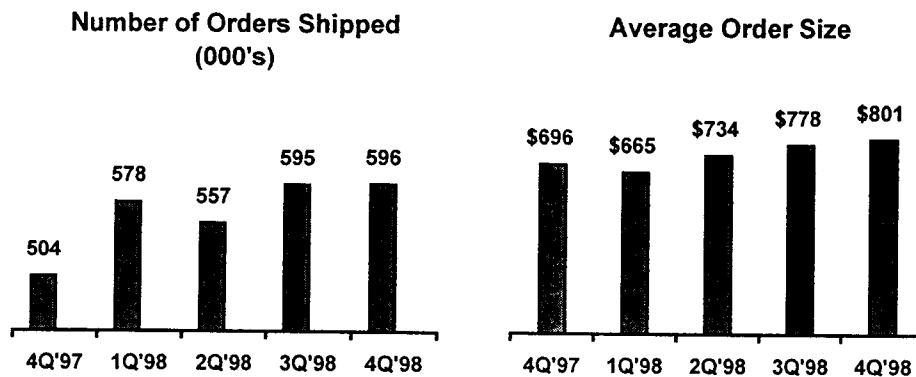
"CDW takes pride in delivering consistently exceptional results from both a financial and best business practices perspective. In addition to providing excellent customer service, we are especially proud that our coworkers attained another record breaking quarter, while also achieving recognition for CDW's people-centered business ethics and philosophies. Our newest distinction as Fortune's 36th Best Company to Work for in America, and our 1998 Better Business Bureau Torch Award for Marketplace Ethics in Northern Illinois, add to the strength of the CDW brand. CDW's unique brand image is an integral part of our continued, aggressive growth plans for 1999." Michael P. Krasny, Chairman and Chief Executive Officer

Vernon Hills, Illinois, January 21, 1999 — CDW Computer Centers, Inc. (Nasdaq: CDWC) today announced record sales and earnings for the fourth quarter ended December 31, 1998.

Net sales for the fourth quarter increased 36 percent to \$477.2 million from \$350.7 million in the same period of 1997. Net income for the quarter rose 32 percent to \$18.3 million from \$13.9 million in the fourth quarter of 1997. Diluted earnings per share increased 31 percent to \$0.84 in the fourth quarter of 1998 from \$0.64 in the same period of 1997.

Net sales for the year ended December 31, 1998 increased 36 percent to \$1.733 billion from \$1.277 billion in the year ended 1997. Net income for the year ended December 31, 1998 was \$65.8 million, a 29 percent increase over \$51.0 million reported in 1997. Diluted earnings per share of \$3.03 increased 29 percent from \$2.35 in 1997.

“Our continued, strong growth in the fourth quarter reflects the impact of our aggressive growth strategy and core philosophies,” said Michael P. Krasny, chairman and chief executive officer. “In particular, our expanded sales force successfully met strong demand from our commercial accounts, which comprise 88 percent of our net sales. We plan to continue to stimulate demand in this important sector through CDW’s exciting new branding campaign and further development of our marketing programs.”



Networking and communication products and desktop computers both achieved sales growth rates slightly in excess of 50 percent in the fourth quarter of 1998. Desktop computer unit sales increased approximately 62 percent. The other fastest growing product categories, based on the percentage increase in dollar sales over the fourth quarter of 1997, were software, printers and video products. Notebook computers, the largest product category at 20 percent of net sales, increased approximately 17 percent in net sales dollars over the fourth quarter of 1997.

Greg Zeman, CDW’s president said, “Our strong volume increases, along with the continued strength of our commercial account base continue to offset industry-wide price pressures. In addition to our expanded sales force, an increasingly important business growth driver is our Web site, www.cdw.com. In the fourth quarter, the number of unassisted web sales grew to just over \$20 million, an increase of 208% over the fourth quarter of 1997 and 28% over the third quarter of 1998. More importantly, www.cdw.com also serves as an information and productivity tool for our customers, enabling sales that are placed through our sales account managers and securing longstanding relationships.”

Gross profit margin was 12.7 percent of net sales in the fourth quarter of 1998, versus 13.2 percent in the prior year quarter. The 1998 fourth quarter gross profit margin percentage is consistent with the level achieved 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 down slightly to 6.5 percent in the fourth quarter of 1998 versus 6.9 percent in the same quarter of 1997. This decrease is a result of a decrease in net advertising expense that was partially offset by incremental payroll costs relating to the sales force expansion. 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 28 times for the quarter, versus 19 in the fourth 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. Working capital as of December 31, 1998 was \$228.7 million, including approximately \$70.7 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) 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 1,600 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 60 factory-trained and A+ certified technicians on staff.

About cdw.com

With more than 58,000 unique visitors 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 40,000 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 SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)
(unaudited)

	Three Months		Year	
	Ended December 31,		Ended December 31,	
	1998	1997	1998	1997
Net sales	\$ 477,233	\$ 350,706	\$ 1,733,489	\$ 1,276,929
Cost of sales	416,775	304,481	1,513,314	1,106,124
Gross profit	60,458	46,225	220,175	170,805
Selling and administrative expenses	31,187	24,134	115,537	90,315
Income from operations	29,271	22,091	104,638	80,490
Interest income	1,192	1,076	4,708	4,259
Other expense	(96)	(67)	(335)	(241)
Income before income taxes	30,367	23,100	109,011	84,508
Income tax provision	12,025	9,159	43,170	33,507
Net income	<u>\$ 18,342</u>	<u>\$ 13,941</u>	<u>\$ 65,841</u>	<u>\$ 51,001</u>
Earnings per share				
Basic	<u>\$ 0.85</u>	<u>\$ 0.65</u>	<u>\$ 3.06</u>	<u>\$ 2.37</u>
Diluted	<u>\$ 0.84</u>	<u>\$ 0.64</u>	<u>\$ 3.03</u>	<u>\$ 2.35</u>
Weighted average common shares outstanding				
Basic	21,521	21,525	21,531	21,525
Diluted	21,901	21,701	21,752	21,704

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

	<u>December 31,</u> <u>1998</u>	<u>December 31,</u> <u>1997</u>
ASSETS		
Current assets :		
Cash, cash equivalents and marketable securities	\$ 70,688	\$ 79,425
Accounts receivable, net of allowance for doubtful accounts of \$3,185 and \$1,950, respectively	152,308	87,524
Miscellaneous receivables	5,896	3,960
Merchandise inventory	64,392	61,941
Prepaid expenses and other current assets	1,423	759
Deferred income taxes	5,081	3,587
Total current assets	<u>299,788</u>	<u>237,196</u>
Property and equipment, net	37,056	26,704
Deferred income taxes and other assets	4,977	5,741
Total assets	<u>\$ 341,821</u>	<u>\$ 269,641</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities :		
Accounts payable	\$ 41,358	\$ 44,451
Accrued expenses and other current liabilities	26,985	21,933
Accrued exit costs	2,715	3,391
Total current liabilities	<u>71,058</u>	<u>69,775</u>
Shareholders' equity	<u>270,763</u>	<u>199,866</u>
Total liabilities and shareholders' equity	<u>\$ 341,821</u>	<u>\$ 269,641</u>

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