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**CDW Reports Second Quarter Results  
Company Achieves Record Quarterly Earnings per Share**

- Sales: \$1.633 billion, up 6.1% year-over-year
- Average daily sales: \$25.523 million, up 6.1% year-over-year
- Gross profit: \$264.0 million, up 11.2% year-over-year
- Net income: \$73.1 million, up 9.0% year-over-year
- Diluted earnings per share: \$0.91, up 13.8% year-over-year

**VERNON HILLS, Ill.** – July 19, 2006 – CDW Corporation (NASDAQ: CDWC) achieved record quarterly diluted earnings per share in the second quarter of 2006.

Total sales in the second quarter of 2006 were \$1.633 billion compared to \$1.540 billion in the second quarter of 2005, an increase of 6.1 percent. Average daily sales in the second quarter of 2006 were \$25.523 million compared to \$24.056 million in the second quarter of 2005, representing a 6.1 percent increase. The second quarter of 2006 and the second quarter of 2005 both had 64 billing days.

Gross profit for the second quarter of 2006 was \$264.0 million compared to \$237.5 million in the second quarter of 2005, an increase of 11.2 percent. Net income increased 9.0 percent for the second quarter of 2006 to \$73.1 million versus the prior year period, including the impact of the required implementation of the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 123R ("SFAS 123R") relating to stock options as of January 1, 2006. Diluted earnings per share were \$0.91 in the second quarter of 2006, an increase of 13.8 percent compared to diluted earnings per share of \$0.80 in the second quarter of 2005. The second quarter of 2006 included stock-based compensation expense of \$2.4 million after tax (\$3.7 million pre-tax), or \$0.03 per diluted share due to the implementation of SFAS 123R.

"Our commitment to serving our customers is the foundation of our financial performance. In addition to our consistent emphasis on customer service, our disciplined focus on profitable growth, operational efficiency, and returning capital to shareholders through share repurchases resulted in a strong quarter characterized by improved operating income and record earnings per share," said John A. Edwardson, chairman and chief executive officer. "This performance was due to the efforts of all of our coworkers, who execute our growth strategies every day and deliver the best customer service in the industry."

"While we continued to profitably take market share, we remain committed to growing revenue at a faster pace. To do that, we have taken steps to create a more strategic platform for future growth. Based on our successful customer segmentation strategy in the public sector, we segmented the majority of our medium and large corporate customers into geographic territories, and realigned our medium and large corporate sector account managers accordingly. This has been a significant undertaking over the past several months. Medium and large corporate sector account managers involved with the change are in process of building relationships with customers whose accounts have been transferred. We believe the geographic realignment affected corporate sector sales growth in the second quarter of 2006, but we also know this is the right strategy for growth. We now have a consistent framework for those sales teams that use geographic segmentation, which is designed to enhance our ability to serve customers, drive new business, increase sales teams' ownership and accountability, and maximize account coverage," Edwardson said.

## Second Quarter Highlights:

- Total corporate sector segment sales in the second quarter of 2006 were \$1.112 billion compared to \$1.076 billion in the second quarter of 2005, representing a 3.3 percent increase. Second quarter of 2006 average daily sales for the corporate sector segment were \$17.373 million compared to \$16.820 million in the second quarter of 2005.
- Total public sector segment sales in the second quarter of 2006 were \$521.6 million compared to \$463.1 million in the second quarter of 2005, representing a 12.6 percent increase. Second quarter of 2006 average daily sales for the public sector segment were \$8.150 million compared to \$7.236 million in the second quarter of 2005.
- Product categories that achieved the strongest year-over-year unit volume growth for the quarter included notebook CPUs, software, video, memory, and input devices.
- Direct web sales in the second quarter of 2006 were \$493.5 million, representing a 16.8 percent increase compared to the same period a year ago, and comprised 30.2 percent of total sales.
- June 2006 sales were \$600.4 million compared to \$567.4 million in June 2005, representing a 5.8 percent increase. June 2006 average daily sales were \$27.293 million compared to \$25.793 million in the prior period. June 2006 and June 2005 both had 22 billing days. In June 2006, corporate sector segment sales increased 3.8 percent and public sector segment sales increased 9.8 percent.

Gross profit margin was 16.2 percent in the second quarter of 2006 compared to 15.4 percent in the same period of 2005. The increase was primarily due to increased net service contract and commission revenue, a higher level of vendor incentives, and a favorable comparison of delivery charges due to more limited delivery promotions.

Selling and administrative expenses as a percentage of sales were 7.7 percent in the second quarter of 2006 compared to 6.8 percent in the second quarter of 2005. The increase in selling and administrative expenses in the second quarter of 2006 was primarily due to:

- Costs of \$6.3 million associated with the operations of the company's new distribution center in North Las Vegas, Nevada, and additional leased office space in Chicago and Vernon Hills, Illinois. As previously announced, these infrastructure investments are being made to position the company for future growth.
- Stock-based compensation expense of \$3.7 million due to the required implementation of SFAS 123R on January 1, 2006, as previously announced.
- Increased payroll costs as a result of continued investment in expanding CDW's sales force and additional coworkers to support a larger and growing business.
- Increased sales commission expense due to the achievement of a stronger gross profit margin compared to the prior year period.

Operating margin was 6.6 percent in the second quarter of 2006 compared to 6.7 percent in the second quarter of 2005.

Interest income was \$5.5 million for the second quarter of 2006, an increase of \$1.5 million compared to the same period of 2005 due to higher interest rates. The effective tax rate for the second quarter of 2006 was 35.4 percent compared to 36.7 percent for the second quarter of 2005.

## Share Repurchase Activity

During the second quarter of 2006, CDW repurchased 1.5 million shares of common stock at an average price of \$54.51 per share for an aggregate purchase price of \$84 million. Under the current share repurchase program approved in April 2006 for the repurchase of 5.0 million shares, 3.5 million shares remain available for purchase. In addition, the Company paid an annual cash dividend of \$0.52 per share to common stock shareholders on June 30, 2006, for a total amount of \$41 million. Including share repurchases of \$128 million in the first quarter of 2006, total dollars returned to shareholders in the first six months of 2006 were approximately \$253 million.

The company plans to release July sales on Thursday, August 10, 2006. July 2005 had 20 billing days and July 2006 will have 20 billing days.

## **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®, ranked No. 343 on the FORTUNE 500, is a leading provider of technology solutions for business, government and education. CDW is a principal source of technology products and services including top name brands such as Acer, Adobe, Apple, Cisco, HP, IBM, Lenovo, Microsoft, Panasonic, Samsung, Sony, Symantec, Toshiba and ViewSonic.

CDW was founded in 1984 and employs approximately 4,450 coworkers. In 2005, the company generated sales of \$6.3 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 approximately 120 factory-trained and A+ certified technicians on staff.

A live web cast of CDW's management discussion of the second quarter of 2006 results will be available at [www.cdw.com/investor](http://www.cdw.com/investor). The web cast will begin today, July 19, 2006, at 8:30 a.m. ET / 7:30 a.m. CT. An audio replay of the call will also be available at [www.cdw.com/investor](http://www.cdw.com/investor) for approximately two weeks.

Additional financial and operational data is provided in a series of supplemental slides available at [www.cdw.com/investor](http://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](mailto:investorrelations@cdw.com) or by telephone at 847-419-6328.

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**CDW CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(in thousands, except per share data)

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
Net sales	\$ 1,633,458	\$ 1,539,595	\$ 3,222,087	\$ 3,014,677
Cost of sales	<u>1,369,421</u>	<u>1,302,117</u>	<u>2,704,161</u>	<u>2,550,770</u>
Gross profit	264,037	237,478	517,926	463,907
Selling and administrative expenses	126,192	105,325	254,940	207,563
Advertising expense	<u>30,007</u>	<u>29,665</u>	<u>60,902</u>	<u>56,126</u>
Income from operations	107,838	102,488	202,084	200,218
Interest income	5,492	3,989	10,699	7,168
Other expense, net	<u>(94)</u>	<u>(479)</u>	<u>(1,056)</u>	<u>(849)</u>
Income before income taxes	113,236	105,998	211,727	206,537
Income tax provision	<u>40,125</u>	<u>38,937</u>	<u>76,938</u>	<u>78,079</u>
Net income	<u>\$ 73,111</u>	<u>\$ 67,061</u>	<u>\$ 134,789</u>	<u>\$ 128,458</u>
Earnings per share:				
Basic	<u>\$ 0.93</u>	<u>\$ 0.82</u>	<u>\$ 1.70</u>	<u>\$ 1.57</u>
Diluted	<u>\$ 0.91</u>	<u>\$ 0.80</u>	<u>\$ 1.66</u>	<u>\$ 1.52</u>
Weighted-average number of common shares outstanding:				
Basic	<u>78,994</u>	<u>81,337</u>	<u>79,488</u>	<u>81,975</u>
Diluted	<u>80,564</u>	<u>83,737</u>	<u>81,268</u>	<u>84,521</u>
Dividends per share	<u>\$ 0.52</u>	<u>\$ 0.43</u>	<u>\$ 0.52</u>	<u>\$ 0.43</u>

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

	<b>June 30, 2006</b>	<b>December 31, 2005</b>	<b>June 30, 2005</b>
<b>Assets</b>			
Current assets:			
Cash, cash equivalents and marketable securities	\$ 444,925	\$ 571,750	\$ 510,006
Accounts receivable, net of allowance for doubtful accounts of \$9,574, \$9,564 and \$9,879 respectively	689,824	637,245	628,906
Merchandise inventory	257,035	243,564	214,931
Miscellaneous receivables	50,953	27,848	28,829
Deferred income taxes	14,674	12,562	13,718
Prepaid expenses	12,072	8,274	4,632
Total current assets	1,469,483	1,501,243	1,401,022
Marketable securities	59,261	39,176	70,364
Property and equipment, net	115,780	97,277	81,368
Other assets	11,187	11,360	10,626
<b>Total assets</b>	<b>\$ 1,655,711</b>	<b>\$ 1,649,056</b>	<b>\$ 1,563,380</b>
 <b>Liabilities and Shareholders' Equity</b>			
Current liabilities:			
Accounts payable	\$ 277,317	\$ 245,201	\$ 281,170
Accrued expenses and other current liabilities	134,764	122,560	117,442
Total current liabilities	412,081	367,761	398,612
Long-term liabilities	22,138	16,730	15,597
Shareholders' equity:			
Total shareholders' equity	1,221,492	1,264,565	1,149,171
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,655,711</b>	<b>\$ 1,649,056</b>	<b>\$ 1,563,380</b>

**CDW CORPORATION AND SUBSIDIARIES**  
**SEGMENT REPORTING INFORMATION**  
(in thousands)

	Three Months Ended June 30, 2006			
	Corporate Sector	Public Sector	Headquarters / Other	Consolidated
Net sales	\$ 1,111,879	\$ 521,579	\$ -	\$ 1,633,458
Income (loss) from operations	\$ 88,896	\$ 28,950	\$ (10,008)	\$ 107,838
Net interest income and other expense				5,398
Income before income taxes				\$ 113,236
Total assets	\$ 596,065	\$ 250,747	\$ 808,899	\$ 1,655,711

  

	Three Months Ended June 30, 2005			
	Corporate Sector	Public Sector	Headquarters / Other	Consolidated
Net sales	\$ 1,076,483	\$ 463,112	\$ -	\$ 1,539,595
Income (loss) from operations	\$ 81,458	\$ 29,097	\$ (8,067)	\$ 102,488
Net interest income and other expense				3,510
Income before income taxes				\$ 105,998
Total assets	\$ 434,453	\$ 265,373	\$ 863,554	\$ 1,563,380

Note: Segment information for the three months ended June 30, 2005 has been restated to conform with the revised segment reporting structure.

**CDW CORPORATION AND SUBSIDIARIES**  
**SEGMENT REPORTING INFORMATION**  
(in thousands)

	Six Months Ended June 30, 2006			
	Corporate Sector	Public Sector	Headquarters / Other	Consolidated
Net sales	\$ 2,262,063	\$ 960,024	\$ -	\$ 3,222,087
Income (loss) from operations	\$ 178,194	\$ 43,653	\$ (19,763)	\$ 202,084
Net interest income and other expense				9,643
Income before income taxes				\$ 211,727
Total assets	\$ 596,065	\$ 250,747	\$ 808,899	\$ 1,655,711

	Six Months Ended June 30, 2005			
	Corporate Sector	Public Sector	Headquarters / Other	Consolidated
Net sales	\$ 2,164,784	\$ 849,893	\$ -	\$ 3,014,677
Income (loss) from operations	\$ 164,559	\$ 51,707	\$ (16,048)	\$ 200,218
Net interest income and other expense				6,319
Income before income taxes				\$ 206,537
Total assets	\$ 434,453	\$ 265,373	\$ 863,554	\$ 1,563,380

Note: Segment information for the six months ended June 30, 2005 has been restated to conform with the revised segment reporting structure.

**CDW CORPORATION AND SUBSIDIARIES  
OPERATING DATA**

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
% of sales to commercial customers (1)	99.1%	98.8%	99.0%	98.7%
Direct web sales (000's)	\$493,522	\$422,614	\$994,489	\$859,091
Sales force, end of period	2,179	1,962	2,179	1,962
Annualized inventory turnover	23	25	23	24
Accounts receivable - days sales outstanding	38	37	39	38

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