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CDW Reports Third Quarter Results
Company Achieves Record Quarterly Revenue and Earnings per Share

- Average daily sales: \$27.610 million, up 5.8% year-over-year
- Sales: \$1.739 billion, up 4.1% year-over-year
- Diluted earnings per share: \$0.98, up 11.4% year-over-year
- Gross profit: \$267.9 million, up 5.1% year-over-year
- Net income: \$77.7 million, up 6.3% year-over-year

VERNON HILLS, Ill. – October 18, 2006 – CDW Corporation (NASDAQ: CDWC) achieved record quarterly sales, gross profit, net income and diluted earnings per share in the third quarter of 2006.

Total sales in the third quarter of 2006 were \$1.739 billion compared to \$1.670 billion in the third quarter of 2005, an increase of 4.1 percent. Average daily sales in the third quarter of 2006 were \$27.610 million compared to \$26.097 million in the third quarter of 2005, representing a 5.8 percent increase. The third quarter of 2006 had 63 billing days and the third quarter of 2005 had 64 billing days.

Gross profit for the third quarter of 2006 was \$267.9 million compared to \$254.9 million in the third quarter of 2005, an increase of 5.1 percent. Net income increased 6.3 percent for the third quarter of 2006 to \$77.7 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, and a reduction in the effective tax rate. Diluted earnings per share were \$0.98 in the third quarter of 2006, an increase of 11.4 percent compared to diluted earnings per share of \$0.88 in the third quarter of 2005. The third quarter of 2006 included stock-based compensation expense of \$2.5 million after tax (\$4.0 million pre-tax), or \$0.03 per diluted share due to the implementation of SFAS 123R, and \$0.05 per diluted share from a lower effective tax rate.

"Our third quarter performance established another set of records for CDW. We continue to focus on profitable growth and creating an unmatched experience for our customers," said John A. Edwardson, chairman and chief executive officer.

"To meet specific customer needs and maximize our sales coverage, we have increasingly segmented our customers based on industry verticals and geography over the past several years. Our long-term strategy of segmentation of the public sector has resulted in strong and profitable growth. In the first half of 2006, we applied this strategy to the corporate sector by segmenting most of our medium and large corporate customers into geographic regions, and organizing our corporate sales teams accordingly. Medium and large corporate sector account managers are continuing to build relationships with customers whose accounts have been transferred into regions. The corporate sector is still in the implementation stage and we are confident this is the right approach for the long term. We are focused on executing the segmentation strategy and accelerating growth in the corporate sector," said Edwardson.

“We are excited about our recent acquisition of Berbee Information Networks Corporation, one of the nation’s largest independent IT solution providers. Our organizations are both industry leaders committed to superior customer service and profitable growth. Together we will offer customers a single source for their core technology needs and more advanced IT services and solutions. In addition, we expect to scale Berbee’s business processes to generate additional growth opportunities,” said Edwardson.

Third Quarter Highlights:

- Total corporate sector segment sales in the third quarter of 2006 were \$1.088 billion compared to \$1.117 billion in the third quarter of 2005, representing a decrease of 2.5 percent. Third quarter of 2006 average daily sales for the corporate sector segment were \$17.276 million compared to \$17.448 million in the third quarter of 2005, representing a decrease of 1.0 percent.
- Total public sector segment sales in the third quarter of 2006 were \$651.1 million compared to \$553.5 million in the third quarter of 2005, representing an increase of 17.6 percent. Third quarter of 2006 average daily sales for the public sector segment were \$10.335 million compared to \$8.649 million in the third quarter of 2005, representing an increase of 19.5 percent.
- Product categories that achieved the strongest year-over-year unit volume growth for the quarter on an average daily basis included notebook CPUs, software, printers, net comm, video, memory, and input devices.
- Direct web sales in the third quarter of 2006 were \$496.3 million, representing a 9.0 percent increase compared to the same period a year ago, and comprised 28.5 percent of total sales.
- September 2006 sales were \$593.9 million compared to \$592.8 million in September 2005, representing a 0.2 percent increase. September 2006 average daily sales were \$29.697 million compared to \$28.228 million in the prior period, representing a 5.2 percent increase. September 2006 had 20 billing days and September 2005 had 21 billing days. In September 2006, corporate sector segment sales decreased 1.4 percent on an average daily basis and public sector segment sales increased 17.6 percent on an average daily basis.

Gross profit margin was 15.4 percent in the third quarter of 2006 compared to 15.3 percent in the same period of 2005. The increase was primarily due to improved product margin.

Selling and administrative expenses as a percentage of sales were 7.3 percent in the third quarter of 2006 compared to 6.8 percent in the third quarter of 2005. The increase in selling and administrative expenses in the third quarter of 2006 was primarily due to:

- Incremental costs of \$5.0 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 \$4.0 million due to the required implementation of SFAS 123R on January 1, 2006, as previously announced.
- Increased sales commission expense due to the achievement of a stronger gross profit margin compared to the prior year period.
- 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.

Operating margin was 6.4 percent in the third quarter of 2006 compared to 6.7 percent in the third quarter of 2005.

Interest income was \$5.2 million for the third 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 third quarter of 2006 was 33.2 percent compared to 36.9 percent for the third quarter of 2005. The year-over-year decrease in the effective tax rate is primarily due to a \$5 million tax benefit recognized in the third quarter of 2006 for the reduction of tax reserves due to the expiration of the statute of limitations for the tax year to which they relate.

Share Repurchase Activity

During the third quarter of 2006, CDW repurchased 300,000 shares of common stock at an average price of \$52.42 per share for an aggregate purchase price of \$16 million. Under the current share repurchase program approved in April 2006 for the repurchase of 5.0 million shares, 3.2 million shares remain available for purchase. CDW has returned a total of \$269 million to shareholders in the first nine months of 2006 comprised of \$228 million of share repurchases and an annual cash dividend of \$41 million.

The company plans to release October sales on Wednesday, November 8, 2006. October 2005 had 21 billing days and October 2006 will have 22 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's direct model offers customers one-on-one relationships with knowledgeable account managers and access to more than 600 on-staff engineers and advanced technology specialists who customize solutions for customers' complex technology needs. CDW also provides same-day product shipping and post-sales technical support.

CDW was founded in 1984 and employs approximately 5,250 coworkers. In 2005, the company generated sales of \$6.3 billion. For more information, visit [CDW.com](http://www.cdw.com).

A live web cast of CDW's management discussion of the third quarter of 2006 results will be available at www.cdw.com/investor. The web cast will begin today, October 18, 2006, at 9:30 a.m. ET / 8:30 a.m. CT. An audio replay of the call will also be available at 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.

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 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)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Net sales	\$ 1,739,457	\$ 1,670,204	\$ 4,961,544	\$ 4,684,881
Cost of sales	<u>1,471,586</u>	<u>1,415,261</u>	<u>4,175,747</u>	<u>3,966,031</u>
Gross profit	267,871	254,943	785,797	718,850
Selling and administrative expenses	127,416	112,670	382,356	320,233
Advertising expense	<u>28,964</u>	<u>29,843</u>	<u>89,866</u>	<u>85,969</u>
Income from operations	111,491	112,430	313,575	312,648
Interest income	5,167	3,662	15,866	10,830
Other expense, net	<u>(361)</u>	<u>(284)</u>	<u>(1,417)</u>	<u>(1,133)</u>
Income before income taxes	116,297	115,808	328,024	322,345
Income tax provision	<u>38,563</u>	<u>42,684</u>	<u>115,501</u>	<u>120,763</u>
Net income	<u>\$ 77,734</u>	<u>\$ 73,124</u>	<u>\$ 212,523</u>	<u>\$ 201,582</u>
Earnings per share:				
Basic	<u>\$ 1.00</u>	<u>\$ 0.91</u>	<u>\$ 2.69</u>	<u>\$ 2.47</u>
Diluted	<u>\$ 0.98</u>	<u>\$ 0.88</u>	<u>\$ 2.63</u>	<u>\$ 2.40</u>
Weighted-average number of common shares outstanding:				
Basic	<u>77,890</u>	<u>80,526</u>	<u>78,956</u>	<u>81,487</u>
Diluted	<u>79,459</u>	<u>82,957</u>	<u>80,674</u>	<u>83,993</u>
Dividends per share	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.52</u>	<u>\$ 0.43</u>

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

	September 30, 2006	December 31, 2005	September 30, 2005
Assets			
Current assets:			
Cash, cash equivalents and marketable securities	\$ 521,273	\$ 571,750	\$ 525,334
Accounts receivable, net of allowance for doubtful accounts of \$9,574, \$9,564 and \$9,910 respectively	738,600	637,245	668,660
Merchandise inventory	285,165	243,564	258,720
Miscellaneous receivables	40,141	27,848	31,684
Deferred income taxes	16,298	12,562	13,718
Prepaid expenses	15,713	8,274	5,712
Total current assets	1,617,190	1,501,243	1,503,828
Marketable securities	50,000	39,176	64,317
Property and equipment, net	119,263	97,277	92,690
Other assets	14,449	11,360	10,709
Total assets	\$ 1,800,902	\$ 1,649,056	\$ 1,671,544
 Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	\$ 340,254	\$ 245,201	\$ 299,866
Accrued expenses and other current liabilities	131,996	122,560	128,595
Total current liabilities	472,250	367,761	428,461
Long-term liabilities	22,729	16,730	16,464
Shareholders' equity:			
Total shareholders' equity	1,305,923	1,264,565	1,226,619
Total liabilities and shareholders' equity	\$ 1,800,902	\$ 1,649,056	\$ 1,671,544

CDW CORPORATION AND SUBSIDIARIES
SEGMENT REPORTING INFORMATION
(in thousands)

	Three Months Ended September 30, 2006			
	Corporate Sector	Public Sector	Headquarters / Other	Consolidated
Net sales	\$ 1,088,364	\$ 651,093	\$ -	\$ 1,739,457
Income (loss) from operations	\$ 83,805	\$ 36,867	\$ (9,181)	\$ 111,491
Net interest income and other expense				4,806
Income before income taxes				\$ 116,297
Total assets	\$ 637,714	\$ 299,297	\$ 863,891	\$ 1,800,902

	Three Months Ended September 30, 2005			
	Corporate Sector	Public Sector	Headquarters / Other	Consolidated
Net sales	\$ 1,116,658	\$ 553,546	\$ -	\$ 1,670,204
Income (loss) from operations	\$ 88,582	\$ 32,414	\$ (8,566)	\$ 112,430
Net interest income and other expense				3,378
Income before income taxes				\$ 115,808
Total assets	\$ 447,826	\$ 271,559	\$ 952,159	\$ 1,671,544

CDW CORPORATION AND SUBSIDIARIES
SEGMENT REPORTING INFORMATION
(in thousands)

	Nine Months Ended September 30, 2006			
	Corporate Sector	Public Sector	Headquarters / Other	Consolidated
Net sales	\$ 3,350,427	\$ 1,611,117	\$ -	\$ 4,961,544
Income (loss) from operations	\$ 261,999	\$ 80,520	\$ (28,944)	\$ 313,575
Net interest income and other expense				14,449
Income before income taxes				\$ 328,024
Total assets	\$ 637,714	\$ 299,297	\$ 863,891	\$ 1,800,902

	Nine Months Ended September 30, 2005			
	Corporate Sector	Public Sector	Headquarters / Other	Consolidated
Net sales	\$ 3,281,442	\$ 1,403,439	\$ -	\$ 4,684,881
Income (loss) from operations	\$ 253,141	\$ 84,121	\$ (24,614)	\$ 312,648
Net interest income and other expense				9,697
Income before income taxes				\$ 322,345
Total assets	\$ 447,826	\$ 271,559	\$ 952,159	\$ 1,671,544

**CDW CORPORATION AND SUBSIDIARIES
OPERATING DATA**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
% of sales to commercial customers (1)	99.1%	99.1%	99.1%	98.8%
Direct web sales (000's)	\$496,275	\$455,298	\$1,490,764	\$1,314,389
Sales force, end of period	2,211	2,061	2,211	2,061
Annualized inventory turnover	24	25	23	24
Accounts receivable - days sales outstanding	39	37	41	39

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