



FOR IMMEDIATE RELEASE

NASDAQ: NSIT

INSIGHT ENTERPRISES, INC. REPORTS FIRST QUARTER 2015 RESULTS

TEMPE, AZ – May 6, 2015 – Insight Enterprises, Inc. (NASDAQ: NSIT) (the “Company”) today reported results of operations for the quarter ended March 31, 2015.

- Consolidated net sales of \$1.22 billion for the first quarter of 2015 were generally flat compared to the first quarter of 2014, but increased 6% year over year excluding the effects of foreign currency movements.
 - Net sales in North America of \$822.7 million increased 5%;
 - Net sales in EMEA of \$354.8 million decreased 9%, but increased 6% excluding the effects of foreign currency movements; and
 - Net sales in APAC of \$42.1 million decreased 8%, but increased 3% excluding the effects of foreign currency movements.
- Consolidated gross profit of \$161.8 million decreased 1% compared to the first quarter of 2014, but increased 4% year over year excluding the effects of foreign currency movements. Consolidated gross margin decreased approximately 20 basis points to 13.3% of net sales.
 - Gross profit in North America of \$111.5 million (13.6% gross margin) increased 4% year over year;
 - Gross profit in EMEA of \$44.8 million (12.6% gross margin) was down 9% year to year, but increased 5% year over year excluding the effects of foreign currency movements; and
 - Gross profit in APAC of \$5.5 million (13.0% gross margin) was down 22% year to year, 13% excluding the effects of foreign currency movements.
- Consolidated earnings from operations decreased 3% compared to the first quarter of 2014 to \$20.3 million, or 1.7% of net sales.
 - Earnings from operations in North America increased 3% year over year to \$18.7 million, or 2.3% of net sales;
 - Earnings from operations in EMEA decreased 11% year to year to \$1.7 million, or 0.5% of net sales; and
 - APAC reported a loss from operations of \$151,000 compared to earnings from operations of \$868,000 in the first quarter of 2014.
- Non-GAAP consolidated earnings from operations for the first quarter of 2015, which exclude severance and restructuring expenses, decreased 1% year to year to \$21.0 million, or 1.7% of net sales.*
- Consolidated net earnings and diluted earnings per share for the first quarter of 2015 were \$11.0 million and \$0.27 respectively, at an effective tax rate of 38.4%.

- MORE -

- Non-GAAP consolidated net earnings and diluted earnings per share for the first quarter of 2015, which exclude severance and restructuring expenses and the tax effect of these charges, were \$11.5 million and \$0.29, respectively.*
- The Company repurchased approximately 1.5 million shares of its common stock for \$38.6 million during the first quarter of 2015.

“In the first quarter of 2015, our team continued to drive solid top line growth across the business in constant currency, invested in our sales force, and at the same time, returned cash to our shareholders through our share repurchase program; all of which are important to our long-term strategy,” stated Ken Lamneck, President and Chief Executive Officer. “As we enter the second quarter of 2015, we continue to believe that the IT industry is healthy. With the expiration of Windows Server 2003 maintenance support in July of this year combined with the substantial completion of the recent desktop refresh cycles, we believe CIOs will now focus on data center and other infrastructure projects in 2015. Given our strong technical and engineering skills and deep services capabilities, we believe we are well positioned to participate in this shift in demand for the balance of the year,” added Lamneck.

The Company refers to changes in net sales and gross profit on a consolidated basis and in EMEA and APAC excluding the effects of foreign currency movements. In computing these changes and percentages, the Company compares the current year amount as translated into U.S. dollars under the applicable accounting standards to the prior year amount in local currency translated into U.S. dollars utilizing the weighted average translation rate for the current period.

Net of tax amounts referenced herein were computed using the statutory tax rate for the taxing jurisdictions in the operating segment in which the related expenses were recorded, adjusted for the effects of valuation allowances on net operating losses in certain jurisdictions.

* A tabular reconciliation of financial measures prepared in accordance with United States generally accepted accounting principles (“GAAP”) to non-GAAP financial measures is included at the end of this press release.

GUIDANCE

For the full year of 2015, the Company continues to expect to deliver top line growth in the low single digits in U.S. dollars and that diluted earnings per share for the full year 2015 will be between \$2.10 and \$2.20.

This outlook reflects:

- an average U.S. dollar to Euro currency exchange rate of \$1.05 and an average U.S. dollar to British Pound currency exchange rate of \$1.45;
- the adverse effect on gross profit of previously announced partner program changes in the software category, which the Company expects to be between \$5 and \$10 million;
- an effective tax rate of 37% to 39%;
- the completion of our remaining share repurchase program of up to \$53 million leading to an average outstanding share count of approximately 38.6 million shares for the year; and
- capital expenditures of \$10 to \$15 million.

This outlook excludes severance and restructuring expenses incurred during the year.

- MORE -

CONFERENCE CALL AND WEBCAST

The Company will host a conference call and live web cast today at 5:00 p.m. ET to discuss first quarter 2015 results of operations. A live web cast of the conference call (in listen-only mode) will be available on the Company's web site at <http://nsit.client.shareholder.com/events.cfm>, and a replay of the web cast will be available on the Company's web site for a limited time following the call. To listen to the live web cast by telephone, call 1-877-402-8904 if located in the U.S., 678-809-1029 for international callers, and enter the access code 29728827.

USE OF NON-GAAP FINANCIAL MEASURES

The non-GAAP financial measures exclude severance and restructuring expenses in 2015 and 2014 and the tax effect of these charges. The Company excludes these charges when internally evaluating earnings from operations, tax expense, net earnings and diluted earnings per share for the Company and earnings from operations for each of the Company's operating segments. These non-GAAP measures are used to evaluate financial performance against budgeted amounts, to calculate incentive compensation, to assist in forecasting future performance and to compare the Company's results to those of the Company's competitors. The Company believes that these non-GAAP financial measures are useful to investors because they allow for greater transparency, facilitate comparisons to prior periods and the Company's competitors' results and assist in forecasting performance for future periods. These non-GAAP financial measures are not prepared in accordance with GAAP and may be different from non-GAAP financial measures presented by other companies. Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

- MORE -

FINANCIAL SUMMARY TABLE
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

<u>Insight Enterprises, Inc.</u>	<u>Three Months Ended March 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>change</u>
Net sales	\$ 1,219,679	\$ 1,214,530	-
Gross profit	\$ 161,813	\$ 163,745	(1%)
Gross margin	13.3%	13.5%	(20 bps)
Selling and administrative expenses	\$ 140,796	\$ 142,429	(1%)
Severance and restructuring expenses	\$ 723	\$ 337	115%
Earnings from operations	\$ 20,294	\$ 20,979	(3%)
Net earnings	\$ 10,951	\$ 11,550	(5%)
Diluted earnings per share	\$ 0.27	\$ 0.28	(4%)
 <u>North America</u>			
Net sales	\$ 822,709	\$ 780,682	5%
Gross profit	\$ 111,516	\$ 107,413	4%
Gross margin	13.6%	13.8%	(20 bps)
Selling and administrative expenses	\$ 92,402	\$ 89,181	4%
Severance and restructuring expenses	\$ 405	\$ 77	426%
Earnings from operations	\$ 18,709	\$ 18,155	3%
 <u>EMEA</u>			
Net sales	\$ 354,842	\$ 387,943	(9%)
Gross profit	\$ 44,811	\$ 49,321	(9%)
Gross margin	12.6%	12.7%	(10 bps)
Selling and administrative expenses	\$ 42,757	\$ 47,105	(9%)
Severance and restructuring expenses	\$ 318	\$ 260	(22%)
Earnings from operations	\$ 1,736	\$ 1,956	(11%)
 <u>APAC</u>			
Net sales	\$ 42,128	\$ 45,905	(8%)
Gross profit	\$ 5,486	\$ 7,011	(22%)
Gross margin	13.0%	15.3%	(230 bps)
Selling and administrative expenses	\$ 5,637	\$ 6,143	(8%)
(Loss) earnings from operations	\$ (151)	\$ 868	(117%)

	<u>North America</u>			<u>EMEA</u>			<u>APAC</u>		
	<u>Three Months Ended</u>			<u>Three Months Ended</u>			<u>Three Months Ended</u>		
	<u>March 31,</u>			<u>March 31,</u>			<u>March 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>2014</u>	<u>%</u>	<u>2015</u>	<u>2014</u>	<u>%</u>
Sales Mix			change*						change*
Hardware	61%	63%	3%	41%	39%	(4%)	5%	4%	21%
Software	32%	31%	5%	56%	59%	(13%)	92%	93%	(9%)
Services	7%	6%	28%	3%	2%	35%	3%	3%	(8%)
	<u>100%</u>	<u>100%</u>	5%	<u>100%</u>	<u>100%</u>	(9%)	<u>100%</u>	<u>100%</u>	(8%)

* Represents growth/decline in category net sales on a U.S. dollar basis.

- MORE -

FORWARD-LOOKING INFORMATION

Certain statements in this release and the related conference call and web cast are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements, including the Company’s expected 2015 financial results, including diluted earnings per share, and the assumptions relating thereto, including top line growth rates, foreign currency exchange rates, the effect on gross profit of partner program changes, the Company’s effective tax rate, capital expenditures, plans concerning the completion of its share repurchase program and its effect on average outstanding share counts for 2015 and the health of the IT industry and trends and opportunities relating thereto, are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Future events and actual results could differ materially from those set forth in, contemplated by, or underlying the forward-looking statements. There can be no assurances that the results discussed by the forward-looking statements will be achieved, and actual results may differ materially from those set forth in the forward-looking statements. Some of the important factors that could cause the Company’s actual results to differ materially from those projected in any forward-looking statements, include, but are not limited to, the following, which are discussed in “Risk Factors” in Part I, Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2014:

- the Company’s reliance on partners for product availability and competitive products to sell as well as the Company’s competition with its partners;
- the Company’s reliance on partners for marketing funds and purchasing incentives;
- changes in the IT industry and/or rapid changes in technology;
- actions of the Company’s competitors, including manufacturers and publishers of products the Company sells;
- failure to comply with the terms and conditions of the Company’s commercial and public sector contracts;
- disruptions in the Company’s IT systems and voice and data networks;
- the security of the Company’s electronic and other confidential information;
- general economic conditions;
- the Company’s reliance on commercial delivery services;
- the Company’s dependence on certain personnel;
- the variability of the Company’s net sales and gross profit;
- the risks associated with the Company’s international operations;
- exposure to changes in, interpretations of, or enforcement trends related to tax rules and regulations; and
- intellectual property infringement claims and challenges to the Company’s registered trademarks and trade names.

Additionally, there may be other risks that are otherwise described from time to time in the reports that the Company files with the Securities and Exchange Commission. Any forward-looking statements in this release should be considered in light of various important factors, including the risks and uncertainties listed above, as well as others. The Company assumes no obligation to update, and, except as may be required by law, does not intend to update, any forward-looking statements. The Company does not endorse any projections regarding future performance that may be made by third parties.

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INSIGHT ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended	
	March 31,	
	<u>2015</u>	<u>2014</u>
Net sales	\$ 1,219,679	\$ 1,214,530
Costs of goods sold	<u>1,057,866</u>	<u>1,050,785</u>
Gross profit.....	161,813	163,745
Operating expenses:		
Selling and administrative expenses	140,796	142,429
Severance and restructuring expenses	<u>723</u>	<u>337</u>
Earnings from operations	20,294	20,979
Non-operating (income) expense:		
Interest income	(154)	(249)
Interest expense	1,738	1,458
Net foreign currency exchange loss	613	496
Other expense, net	<u>331</u>	<u>249</u>
Earnings before income taxes.....	17,766	19,025
Income tax expense.....	<u>6,815</u>	<u>7,475</u>
Net earnings	<u>\$ 10,951</u>	<u>\$ 11,550</u>
Net earnings per share:		
Basic.....	<u>\$ 0.28</u>	<u>\$ 0.28</u>
Diluted	<u>\$ 0.27</u>	<u>\$ 0.28</u>
Shares used in per share calculations:		
Basic.....	<u>39,673</u>	<u>41,632</u>
Diluted	<u>39,994</u>	<u>41,918</u>

- MORE -

INSIGHT ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)
(UNAUDITED)

	<u>March 31,</u> <u>2015</u>	<u>December 31,</u> <u>2014</u>
ASSETS		
Current assets:		
Cash and cash equivalents.....	\$ 186,126	\$ 164,524
Accounts receivable, net.....	1,039,313	1,309,209
Inventories.....	129,776	122,573
Inventories not available for sale	54,246	45,261
Deferred income taxes.....	13,412	13,385
Other current assets	<u>72,058</u>	<u>62,920</u>
Total current assets	1,494,931	1,717,872
Property and equipment, net	98,947	104,181
Goodwill	26,257	26,257
Intangible assets, net.....	20,434	23,567
Deferred income taxes.....	58,430	58,620
Other assets	<u>18,437</u>	<u>17,626</u>
	<u>\$ 1,717,436</u>	<u>\$ 1,948,123</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable – trade	\$ 598,494	\$ 819,916
Accounts payable – inventory financing facility	145,286	122,781
Accrued expenses and other current liabilities	116,755	144,561
Current portion of long-term debt	1,398	766
Deferred revenue	<u>57,608</u>	<u>50,904</u>
Total current liabilities	919,541	1,138,928
Long-term debt	95,348	62,535
Deferred income taxes.....	806	940
Other liabilities	<u>24,196</u>	<u>24,489</u>
	<u>1,039,891</u>	<u>1,226,892</u>
Stockholders' equity:		
Preferred stock	-	-
Common stock.....	389	401
Additional paid-in capital.....	325,638	337,167
Retained earnings.....	381,729	396,992
Accumulated other comprehensive loss – foreign currency translation adjustments	<u>(30,211)</u>	<u>(13,329)</u>
Total stockholders' equity.....	<u>677,545</u>	<u>721,231</u>
	<u>\$ 1,717,436</u>	<u>\$ 1,948,123</u>

- MORE -

INSIGHT ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	<u>Three Months Ended March 31,</u>	
	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Net earnings	\$ 10,951	\$ 11,550
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	9,542	10,026
Provision for losses on accounts receivable.....	1,083	1,533
Write-downs of inventories	826	273
Write-off of property and equipment	-	7
Non-cash stock-based compensation.....	2,323	1,758
Excess tax benefit from employee gains on stock-based compensation ..	(345)	(252)
Deferred income taxes.....	31	359
Changes in assets and liabilities:		
Decrease in accounts receivable	239,253	182,672
Increase in inventories	(18,079)	(29,003)
Increase in other current assets.....	(10,200)	(6,295)
(Increase) decrease in other assets.....	(1,256)	6,206
Decrease in accounts payable	(198,530)	(87,709)
Increase in deferred revenue	7,384	855
Decrease in accrued expenses and other liabilities	<u>(22,165)</u>	<u>(25,947)</u>
Net cash provided by operating activities.....	<u>20,818</u>	<u>66,033</u>
Cash flows from investing activities:		
Purchases of property and equipment.....	<u>(3,194)</u>	<u>(2,018)</u>
Net cash used in investing activities	<u>(3,194)</u>	<u>(2,018)</u>
Cash flows from financing activities:		
Borrowings on senior revolving credit facility.....	158,410	143,492
Repayments on senior revolving credit facility	(138,910)	(138,992)
Borrowings on accounts receivable securitization financing facility	409,100	225,000
Repayments on accounts receivable securitization financing facility	(395,100)	(207,000)

- MORE -

Borrowings under other financing agreements	-	2,002
.....		
Payments on capital lease obligation	(55)	(53)
.....		
Net borrowings (repayments) under inventory financing facility	22,505	(7,181)
.....		
Excess tax benefit from employee gains on stock-based compensation..	345	252
.....		
Payment of payroll taxes on stock-based compensation through shares withheld	(1,826)	(1,559)
.....		
Repurchases of common stock	<u>(38,559)</u>	<u>(26,710)</u>
.....		
Net cash provided by (used in) financing activities	<u>15,910</u>	<u>(10,749)</u>
.....		
Foreign currency exchange effect on cash and cash equivalent balances	<u>(11,932)</u>	<u>781</u>
.....		
Increase in cash and cash equivalents.....	21,602	54,047
.....		
Cash and cash equivalents at beginning of period.....	<u>164,524</u>	<u>126,817</u>
.....		
Cash and cash equivalents at end of period	<u>\$ 186,126</u>	<u>\$ 180,864</u>

- MORE -

INSIGHT ENTERPRISES, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended	
	March 31,	
	2015	2014
<u>Consolidated Earnings from Operations:</u>		
GAAP.....	\$ 20,294	\$ 20,979
Severance and restructuring expenses.....	<u>723</u>	<u>337</u>
Non-GAAP.....	<u>\$ 21,017</u>	<u>\$ 21,316</u>
<u>Consolidated Net Earnings:</u>		
GAAP.....	\$ 10,951	\$ 11,550
Severance and restructuring expenses, net of tax.....	<u>556</u>	<u>224</u>
Non-GAAP.....	<u>\$ 11,507</u>	<u>\$ 11,774</u>
<u>Consolidated Diluted EPS:</u>		
GAAP.....	\$ 0.27	\$ 0.28
Severance and restructuring expenses, net of tax.....	<u>0.02</u>	<u>-</u>
Non-GAAP.....	<u>\$ 0.29</u>	<u>\$ 0.28</u>
<u>North America Earnings from Operations:</u>		
GAAP.....	\$ 18,709	\$ 18,155
Severance and restructuring expenses.....	<u>405</u>	<u>77</u>
Non-GAAP.....	<u>\$ 19,114</u>	<u>\$ 18,232</u>
<u>EMEA Earnings from Operations:</u>		
GAAP.....	\$ 1,736	\$ 1,956
Severance and restructuring expenses.....	<u>318</u>	<u>260</u>
Non-GAAP.....	<u>\$ 2,054</u>	<u>\$ 2,216</u>

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