



NASDAQ - NSIT

FOR IMMEDIATE RELEASE
THURSDAY, JANUARY 31, 2002, 4PM EST

INSIGHT ENTERPRISES, INC.
FOURTH QUARTER AND YEAR 2001 EARNINGS RELEASE
FOURTH QUARTER PRO FORMA DILUTED EPS - \$0.22
REPORTED DILUTED EPS - \$0.01

Fourth Quarter and Year Highlights:

- 10% sequential growth in quarterly consolidated pro forma diluted earnings per share
- 11% sequential growth in quarterly consolidated pro forma net earnings
- 35% growth in Direct Alliance annual pro forma net earnings
- 8% sequential growth in consolidated net sales for the quarter
- 2% growth in annual consolidated net sales
- Annualized inventory turns of 80 times
- Completed acquisition of leading United Kingdom direct marketer, Action plc
- Completed acquisition of Canadian direct marketer, Kortex Computer Centre Ltd.
- Closed German operations
- Named to *Forbes* Platinum 400 Ranking for third consecutive year

PRO FORMA FINANCIAL SUMMARY TABLE*

(in thousands, except per share amounts)

	Three Months Ended December 31,			Year Ended December 31,		
	2001	2000	% change	2001	2000	% change
Insight Enterprises, Inc.						
Net sales	\$ 529,860	\$ 545,348	(3%)	\$ 2,082,339	\$ 2,041,086	2%
Earnings from operations (pro forma*)	\$ 15,843	\$ 22,932	(31%)	\$ 72,635	\$ 92,255	(21%)
Net earnings (pro forma*)	\$ 9,173	\$ 13,757	(33%)	\$ 43,635	\$ 56,299	(22%)
Basic earnings per share (pro forma*)	\$ 0.22	\$ 0.34	(35%)	\$ 1.05	\$ 1.39	(24%)
Diluted earnings per share (pro forma*)	\$ 0.22	\$ 0.33	(33%)	\$ 1.03	\$ 1.34	(23%)
Shares used in earnings per share (pro forma*) calculation:						
Basic	41,724	40,674	3%	41,460	40,461	2%
Diluted	42,513	41,661	2%	42,388	41,948	1%
Insight Direct Worldwide, Inc.						
Net sales	\$ 503,862	\$ 516,957	(3%)	\$ 1,979,887	\$ 1,930,179	3%
Net earnings (pro forma*)	\$ 6,317	\$ 11,604	(46%)	\$ 33,443	\$ 48,737	(31%)
Direct Alliance Corporation						
Net sales	\$ 25,998	\$ 28,391	(8%)	\$ 102,452	\$ 110,907	(8%)
Net earnings (pro forma*)	\$ 2,856	\$ 2,153	33%	\$ 10,192	\$ 7,562	35%

*The pro forma data excludes non-recurring charges, net of taxes, of \$8.9 million and \$9.7 million for the quarter and year ended December 31, 2001, respectively, and \$680,000 and \$373,000 for the quarter and year ended December 31, 2000, respectively. Please refer to the attached "Pro Forma Consolidated Statements of Earnings" for the three months and years ended December 31, 2001 and 2000 for a reconciliation between pro forma results and results reported in accordance with generally accepted accounting principles ("GAAP").

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QUARTERLY OPERATING DATA SUMMARY TABLE			
Three Months Ended December 31,			
<u>Insight Direct Worldwide, Inc.</u>	<u>2001</u>	<u>2000</u>	<u>% change</u>
% of net sales – North America	78%	94%	(20%) *
% of net sales – Europe	22%	6%	270% *
Gross profit %	11.6%	11.0%	0.6%
Pro forma operating expense %	9.4%	7.3%	2.1%
Direct shipments %	62%	67%	8% **
Direct shipments % – North America	76%	72%	(1%) **
Direct shipments % – Europe	29%	35%	125% **
Number of account executives	1,518	1,807	(16%)
Number of account executives – North America	1,199	1,632	(27%)
Number of account executives – Europe	319	175	82%
Average order size	\$ 1,006	\$ 1,333	(25%)
Average order size – North America	\$ 1,174	\$ 1,457	(19%)
Average order size – Europe	\$ 669	\$ 538	24%
% of sales to businesses	98%	97%	(3%) *
% of unassisted web sales	13.3%	12.4%	4% *
Product Mix:			
Notebooks and PDA's	13%	17%	(27%) *
Desktops and servers	<u>16%</u>	<u>16%</u>	<u>(4%) *</u>
	29%	33%	(16%) *
Software	16%	13%	19% *
Storage devices	12%	11%	2% *
Printers	12%	9%	26% *
Networking and connectivity	9%	9%	(3%) *
Monitors and video	6%	7%	(13%) *
Memory and processors	5%	8%	(43%) *
Supplies and accessories	4%	3%	14% *
Miscellaneous	7%	7%	6% *
<u>Direct Alliance Corporation</u>			
Net sales mix:			
Service fees	86%	80%	(1%) *
Product sales	0%	1%	(100%) *
Pass through product sales	14%	19%	(36%) *
Earnings from operations %	17.6%	12.7%	27%
* Percentage change in the indicated items is based on net sales dollars.			
** Percentage change in the indicated items is based on number of direct shipments.			

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Tempe, Arizona – January 31, 2002 – **Insight Enterprises, Inc. (Nasdaq: NSIT)** (the “Company”) today announced net sales and net earnings for the three months and year ended December 31, 2001. The Company is a holding company with two operating units, Insight Direct Worldwide, Inc. (“Insight”) and Direct Alliance Corporation (“Direct Alliance”).

Insight Enterprises, Inc.

Consolidated net sales for the quarter ended December 31, 2001 decreased 3% to \$529.9 million from \$545.3 million in the same period in 2000. Pro forma net earnings for the quarter decreased 33% to \$9.2 million from \$13.8 million in the fourth quarter of 2000. Pro forma diluted earnings per share decreased 33% to \$0.22 for the quarter ended December 31, 2001 compared to \$0.33 in the same period in 2000. Reported net earnings decreased to \$255,000 for the quarter ended December 31, 2001 from \$14.4 million for the quarter ended December 31, 2000. Reported diluted earnings per share decreased to \$0.01 for the quarter ended December 31, 2001 from \$0.35 for the quarter ended December 31, 2000. Sales from the Company’s global direct marketing subsidiary, Insight, represented 95% of the quarter’s net sales, with the remaining 5% from Direct Alliance, the Company’s global outsourcing subsidiary.

Consolidated net sales for the year ended December 31, 2001 increased 2% to \$2.08 billion from \$2.04 billion for the year ended December 31, 2000. Pro forma net earnings decreased 22% to \$43.6 million for the year ended December 31, 2001 from \$56.3 million for the year ended December 31, 2000. Pro forma diluted earnings per share decreased 23% to \$1.03 for the year ended December 31, 2001 compared to \$1.34 for the year ended December 31, 2000. Reported net earnings decreased to \$33.9 million for the year ended December 31, 2001 from \$56.7 million for the year ended December 31, 2000. Reported diluted earnings per share decreased to \$0.80 for the year ended December 31, 2001 from \$1.35 for the year ended December 31, 2000. Sales from Insight represented 95% of net sales with the remaining 5% from Direct Alliance for the year ended December 31, 2001.

The Company’s overall tax rates for the years ended December 31, 2001 and 2000 were 35.8% and 39.6%, respectively. The decrease in the overall tax rate in 2001 is due primarily to the recognition of a tax benefit in Q4 2001 in connection with the closure of Insight’s German operation. The recognition of that benefit is offset in part by not being able to recognize certain tax benefits from losses at foreign subsidiaries and the non-deductibility of goodwill in foreign subsidiaries.

Working capital, as of December 31, 2001, was \$159.5 million, including \$31.9 million in cash and cash equivalents. Annualized inventory turns were 80 times for the fourth quarter of 2001 compared to 78 times for the fourth quarter of 2000.

On a forward-looking basis, the Company expects consolidated net sales for the first quarter of 2002 to be between \$520 million and \$550 million and diluted earnings per share to be between \$0.22 and \$0.25.

Insight Direct Worldwide, Inc.

Insight’s net sales decreased 3% to \$503.9 million and pro forma net earnings decreased 46% to \$6.3 million compared to net sales of \$517.0 million and pro forma net earnings of \$11.6 million in the fourth quarter of 2000. The decrease in net sales is due to a decrease in overall IT spending in the United States, an increase in the proportion of sales of certain software products that are recorded as net revenue and an increased focus on improving gross margin. “We are making a very conscious and successful effort to focus on improving gross profit and growing net earnings. As such, we are providing our customers with competitively low prices and superior customer service but are also willing to walk away from unprofitable sales opportunities,” said Timothy A. Crown, CEO. These decreases were partially offset by the addition of \$87.9 million in sales from newly acquired businesses.

Insight’s strong electronic commerce focus (www.insight.com) continues to provide its customers with an efficient and effective buying tool. Its unassisted web sales (those sales completed without the assistance of an Insight account executive) represented \$66.1 million, or 13.3% of Insight’s net sales in the fourth quarter of 2001, compared to \$63.9 million, or 12.4%, in the same quarter last year.

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Insight's gross profit as a percentage of net sales was 11.6% in the fourth quarter of 2001 as compared to 11.0% in the fourth quarter a year ago and 10.5% in the third quarter of 2001. According to Stanley Laybourne, Chief Financial Officer, "The majority of the increase in gross profit percentage was due to the concerted effort to focus on improving product margin. Additionally, we saw a small increase due to an increase in the proportion of sales of certain software products that are recorded as net revenue." Other components of costs of goods sold remained fairly consistent as a percentage of net sales except for a slight reduction in supplier reimbursements. As stated in previous releases, Insight expects its future gross profit percentage to fluctuate depending on factors such as industry-wide pricing pressures, supplier reimbursement programs, pricing/selling strategies and product mix.

For Q4 2001, pro forma operating expenses were 9.4% of net sales compared to 7.3% in the same quarter in 2000. According to Laybourne, "The increase in operating expenses as a percentage of sales was primarily due to the inclusion of the operating expenses for acquired entities. This increase was partially offset by a cost reduction plan implemented mid-quarter which included reducing headcount by approximately 300 employees worldwide."

Acquisitions of Action plc and Kortex Computer Centre Ltd.

In October 2001, Insight acquired the stock of Action plc ("Action"), a United Kingdom-based direct marketer of computers and computer related products, for approximately \$39 million in cash. As a result of the acquisition, Insight is the largest direct marketer and the fifth largest reseller of computers and computer related products in the United Kingdom. "Action provides not only scale but an extensive customer list that complements our existing reach in the UK market as well as increased depth in our management group," said Crown. "We have a dedicated integration team made up of individuals from all disciplines within Insight whose goal is to integrate the operations of Action with our existing Insight UK operations. We are very pleased with the progress of the integration and expect the integration to be completed near the end of the first quarter of 2002."

Additionally, in October 2001, Insight acquired the stock of Kortex Computer Centre Ltd. ("Kortex"), a Canadian-based direct marketer of computers and computer related products. Under the terms of the agreement, Insight acquired Kortex for approximately \$3.5 million cash with additional consideration in the next three years contingent on sales and profitability. This acquisition expands Insight's reach within Canada geographically and makes Insight the largest direct marketer and 4th largest reseller of computers and computer related products in Canada.

"We are very excited about the acquisitions of Action and Kortex. As a result of these recent acquisitions and our past investments, we believe Insight is uniquely positioned to be the leading global direct marketer of computers and computer related products," commented Crown.

In connection with the acquisitions of Action and Kortex, Insight recorded non-recurring charges relating to integration expenses totaling \$7.2 million, of which \$3.5 million represented non-cash write-offs of fixed assets, leasehold improvements and government grant receivables. The remaining cash charges primarily represent severance costs and lease termination expenses. The after-tax effect of these charges is \$4.7 million, and the net cash flow effect is a negative \$1.1 million. These non-recurring charges have been excluded from the results of operations discussed herein and are shown separately on the attached "Pro Forma Consolidated Statements of Earnings."

Closure of German Operation

Effective November 15, 2001, Insight closed its German operation. The decision was based upon Insight's intention to focus its European efforts on the United Kingdom due to its recent acquisition of Action and the historical operating losses in its German operation. "We felt it was not prudent to continue losses in Germany while we directed our European resources exclusively to the United Kingdom operations," stated Crown. Insight recorded a non-recurring charge of \$10.6 million, including \$10.2 million of non-cash charges due primarily to the write-off of goodwill and the recognition of the cumulative foreign currency translation adjustment. The remaining cash charges represent severance costs and lease commitments. The after-tax effect of this charge is \$4.2 million, and the net cash flow effect is a positive \$5.9 million. The positive cash flow effect of this non-recurring charge was due to the majority of the charge being non-cash and the tax basis write-off exceeding the book value. This non-recurring charge has been excluded from the results of operations discussed herein and is shown separately on the attached "Pro Forma Consolidated Statements of Earnings."

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Direct Alliance Corporation

Direct Alliance posted overall net sales of \$26.0 million in the quarter ended December 31, 2001, an 8% decrease, compared to \$28.4 million in the fourth quarter of 2000. This decrease is due to the reduction of pass through product sales. As an accommodation to select service fee based program clients, Direct Alliance will purchase and immediately resale products to its clients for immediate resale to their customers. These pass through product sales are completed at little or no gross margin and are included in sales and costs of goods sold. Pass through product sales represented 14% and 19% of Direct Alliance's net sales in the fourth quarter of 2001 and 2000, respectively.

Direct Alliance's gross profit increased \$287,000, or 5%, to \$6.2 million for the fourth quarter of 2001, compared to \$5.9 million for the fourth quarter 2000. Operating expenses at Direct Alliance decreased to \$1.6 million for the fourth quarter 2001 compared to \$2.3 million for the fourth quarter of 2000. Operating expenses as a percentage of net sales were 6.1% in Q4 2001 compared to 8.0% in Q4 2000. The decrease in operating expenses is due to the allocation of more overhead to service fee based programs which is included in cost of goods sold and the reduction in reserves necessary for closed product sales programs. Earnings from operations grew 27% to \$4.6 million in the fourth quarter of 2001 compared to \$3.6 million in the fourth quarter of 2000. Net earnings increased 33% to \$2.9 million in the fourth quarter of 2001 compared to \$2.2 million in 2000. Crown noted, "Direct Alliance continues to be an important contributor to the overall results of Insight Enterprises, Inc."

Certain statements in this release may be "forward-looking statements" within the meaning of The Private Securities Litigation Reform Act of 1995. These forward-looking statements may include projections of matters that affect sales, gross profit, operating expenses or net earnings; projections of capital expenditures; projections of growth; hiring plans; plans for future operations; financing needs or plans; plans relating to the Company's products; and assumptions relating to the foregoing. Forward-looking statements 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 information. Some of the important factors that could cause the Company's actual results to differ materially from those projected in forward-looking statements made by the Company include, but are not limited to, the following: fluctuations in operating results, intense competition, reliance on outsourcing arrangements, mix of outsourcing arrangements, integration of recent acquisitions, past and future acquisitions, international operations, risk of business interruption, management of rapid growth, need for additional financing, changing methods of distribution, reliance on suppliers, changes in supplier reimbursement programs, rapid change in product standards, inventory obsolescence, dependence on key personnel, sales and income tax uncertainty and increasing marketing and shipping costs. These factors are discussed in greater detail under "Factors That May Affect Future Results And Financial Condition" in the Company's Annual Report on Form 10-K for the year ended December 31, 2000, as filed with the Securities and Exchange Commission.

The Company will host a corresponding conference call and live Webcast at 5:00 p.m. EST to discuss the quarterly and annual results of operations and non-recurring charges relating to the acquisitions in the United Kingdom and Canada and the closing of its operation in Germany. A live Webcast of the conference call (in listen-only mode) will be available from the Company's corporate website at www.insight.com.

About Insight

Insight Enterprises, Inc., a *Fortune* 1000 company, is a holding company composed of the following operating units: **Insight Direct Worldwide, Inc.** is a leading global direct marketer of computers, hardware and software, offering a broad line of more than 180,000 brand name products primarily to businesses in the United States, Canada, and the United Kingdom. Insight sells its products via a staff of customer-dedicated account executives utilizing proactive outbound telephone-based sales, electronic commerce and electronic marketing and via the Internet. **Direct Alliance Corporation** provides outsourced marketing, sales and supply chain services to enable manufacturers to access the direct channel. For additional information about Insight Enterprises, Inc. call (480) 902-1001 in the United States or visit www.insight.com.

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INSIGHT ENTERPRISES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Net sales	\$ 529,860	\$ 545,348	\$ 2,082,339	\$ 2,041,086
Costs of goods sold	<u>465,039</u>	<u>482,471</u>	<u>1,840,167</u>	<u>1,801,127</u>
Gross profit	64,821	62,877	242,172	239,959
Operating expenses:				
Selling and administrative expenses.....	48,526	39,461	167,627	146,062
Acquisition integration expenses	7,194	-	7,194	-
Expenses related to closure of German operation	10,566	-	10,566	-
Aborted IPO costs	-	-	1,354	-
Aborted acquisition insurance proceeds ...	-	(1,100)	-	(1,850)
Restricted stock charge	-	-	-	1,127
Amortization of goodwill.....	<u>452</u>	<u>484</u>	<u>1,910</u>	<u>1,642</u>
Earnings (loss) from operations.....	(1,917)	24,032	53,521	92,978
Non-operating expense (income), net	<u>821</u>	<u>117</u>	<u>770</u>	<u>(798)</u>
Earnings (loss) before income taxes	(2,738)	23,915	52,751	93,776
Income tax expense (benefit)	<u>(2,993)</u>	<u>9,478</u>	<u>18,864</u>	<u>37,104</u>
Net earnings.....	<u>\$ 255</u>	<u>\$ 14,437</u>	<u>\$ 33,887</u>	<u>\$ 56,672</u>
Earnings per share:				
Basic	<u>\$ 0.01</u>	<u>\$ 0.35</u>	<u>\$ 0.82</u>	<u>\$ 1.40</u>
Diluted	<u>\$ 0.01</u>	<u>\$ 0.35</u>	<u>\$ 0.80</u>	<u>\$ 1.35</u>
Shares used in per share calculation:				
Basic	<u>41,724</u>	<u>40,674</u>	<u>41,460</u>	<u>40,461</u>
Diluted	<u>42,513</u>	<u>41,661</u>	<u>42,388</u>	<u>41,948</u>

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

	<u>December 31,</u> 2001	<u>December 31,</u> 2000
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 31,868	\$ 24,917
Accounts receivable, net	304,680	313,457
Inventories, net	33,754	25,975
Prepaid expenses and other current assets	<u>13,046</u>	<u>9,003</u>
Total current assets	383,348	373,352
Property and equipment, net	106,104	84,259
Goodwill, net	108,731	35,073
Other assets	<u>670</u>	<u>1,216</u>
	\$ <u>598,853</u>	\$ <u>493,900</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 696	\$ 646
Current portion of obligations under capital leases	393	371
Accounts payable	180,803	180,434
Accrued expenses and other current liabilities	<u>41,975</u>	<u>14,230</u>
Total current liabilities	223,867	195,681
Long-term debt, less current portion	15,718	13,141
Obligations under capital leases, less current portion	690	1,082
Lines of credit	38,524	19,000
Stockholders' equity:		
Preferred stock	-	-
Common stock	427	415
Additional paid-in capital	170,982	150,333
Retained earnings	174,288	140,401
Accumulated other comprehensive income – foreign currency translation adjustment	(2,334)	(2,844)
Treasury stock	<u>(23,309)</u>	<u>(23,309)</u>
Total stockholders' equity	<u>320,054</u>	<u>264,996</u>
	\$ <u>598,853</u>	\$ <u>493,900</u>

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INSIGHT ENTERPRISES, INC. AND SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF EARNINGS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS AND FOOTNOTES)

	For the Three Months Ended December 31, 2001			For the Year Ended December 31, 2001		
	Reported (GAAP)	Adjustments	Pro Forma	Reported (GAAP)	Adjustments	Pro Forma
Net sales.....	\$ 529,860	\$ -	\$ 529,860	\$ 2,082,339	\$ -	\$ 2,082,339
Costs of goods sold.....	<u>465,039</u>	<u>-</u>	<u>465,039</u>	<u>1,840,167</u>	<u>-</u>	<u>1,840,167</u>
Gross profit.....	64,821		64,821	242,172		242,172
Operating expenses:						
Selling and administrative expenses.....	48,526	-	48,526	167,627	-	167,627
Acquisition integration expenses.....	7,194	(7,194) ^(a)	-	7,194	(7,194) ^(a)	-
Expenses related to closure of German operation.....	10,566	(10,566) ^(b)	-	10,566	(10,566) ^(b)	-
Aborted IPO costs.....	-	-	-	1,354	(1,354) ^(c)	-
Amortization of goodwill.....	<u>452</u>	<u>-</u>	<u>452</u>	<u>1,910</u>	<u>-</u>	<u>1,910</u>
Earnings (loss) from operations.....	(1,917)	17,760	15,843	53,521	19,114	72,635
Non-operating expense, net.....	<u>821</u>	<u>-</u>	<u>821</u>	<u>770</u>	<u>-</u>	<u>770</u>
Earnings (loss) before income taxes ...	(2,738)	17,760	15,022	52,751	19,114	71,865
Income tax expense (benefit).....	<u>(2,993)</u>	<u>8,842</u>	<u>5,849</u>	<u>18,864</u>	<u>9,366</u>	<u>28,230</u>
Net earnings.....	<u>\$ 255</u>	<u>\$ 8,918</u>	<u>\$ 9,173</u>	<u>\$ 33,887</u>	<u>\$ 9,748</u>	<u>\$ 43,635</u>
Earnings per share:						
Basic.....	<u>\$ 0.01</u>	<u>\$ 0.21</u>	<u>\$ 0.22</u>	<u>\$ 0.82</u>	<u>\$ 0.23</u>	<u>\$ 1.05</u>
Diluted.....	<u>\$ 0.01</u>	<u>\$ 0.21</u>	<u>\$ 0.22</u>	<u>\$ 0.80</u>	<u>\$ 0.23</u>	<u>\$ 1.03</u>
Shares used in per share calculation:						
Basic.....	<u>41,724</u>	<u>41,724</u>	<u>41,724</u>	<u>41,460</u>	<u>41,460</u>	<u>41,460</u>
Diluted.....	<u>42,513</u>	<u>42,513</u>	<u>42,513</u>	<u>42,388</u>	<u>42,388</u>	<u>42,388</u>

Footnotes:

- (a) In connection with the acquisitions of Action and Kortex during the quarter ended December 31, 2001, Insight recorded non-recurring charges relating to integration costs totaling \$7.2 million, of which \$3.5 million represented non-cash write-offs of fixed assets, leasehold improvements and government grant receivables. The remaining cash charges primarily represent severance costs and lease termination expenses.
- (b) Insight closed its German operation during the quarter ended December 31, 2001 and recorded a non-recurring charge of \$10.6 million, including \$10.2 million of non-cash charges due primarily to the write-off of goodwill and the recognition of the cumulative foreign currency translation adjustment. The remaining cash charges represent severance costs and lease commitments.
- (c) Direct Alliance withdrew its planned initial public offering ("IPO") during the quarter ended June 30, 2001 and recorded a \$1.4 million charge related to costs incurred in connection with the aborted IPO.

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INSIGHT ENTERPRISES, INC. AND SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENTS OF EARNINGS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS AND FOOTNOTES)

	For the Three Months Ended December 31, 2000			For the Year Ended December 31, 2000		
	Reported (GAAP)	Adjustments	Pro Forma	Reported (GAAP)	Adjustments	Pro Forma
Net sales	\$ 545,348	\$ -	\$ 545,348	\$ 2,041,086	\$ -	\$ 2,041,086
Costs of goods sold	482,471	-	482,471	1,801,127	-	1,801,127
Gross profit	62,877		62,877	239,959		239,959
Operating expenses:						
Selling and administrative expenses	39,461	-	39,461	146,062	-	146,062
Aborted acquisition insurance proceeds	(1,100)	1,100 ^(d)	-	(1,850)	1,850 ^(d)	-
Restricted stock charge	-	-	-	1,127	(1,127) ^(e)	-
Amortization of goodwill	484	-	484	1,642	-	1,642
Earnings from operations	24,032	(1,100)	22,932	92,978	(723)	92,255
Non-operating expense (income), net	117	-	117	(798)	-	(798)
Earnings before income taxes	23,915	(1,100)	22,815	93,776	(723)	93,053
Income tax expense	9,478	(420)	9,058	37,104	(350)	36,754
Net earnings	\$ 14,437	\$ (680)	\$ 13,757	\$ 56,672	\$ (373)	\$ 56,299
Earnings per share:						
Basic	\$ 0.35	\$ 0.01	\$ 0.34	\$ 1.40	\$ 0.01	\$ 1.39
Diluted	\$ 0.35	\$ 0.02	\$ 0.33	\$ 1.35	\$ 0.01	\$ 1.34
Shares used in per share calculation:						
Basic	40,674	40,674	40,674	40,461	40,461	40,461
Diluted	41,661	41,661	41,661	41,948	41,948	41,948

Footnotes:

- (d) During the quarter and year ended December 31, 2000, Insight recorded a non-recurring reduction in operating expenses of \$1.1 million and \$1.9 million, respectively, for insurance proceeds related to an aborted acquisition.
- (e) During the quarter ended June 30, 2000, Insight and Direct Alliance recorded non-recurring non-cash charges of \$951,000 and \$176,000, respectively, for the accelerated vesting of restricted stock.

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