CDW Corp
Form 424B2
August 04, 2014
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Filed Pursuant to Rule 424(b)(2)
Registration Statement No. 333-197744

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Maximum Aggregate Offering Price	Amount of Registration Fee
6.00% Senior Notes due 2022	$600,000,000	$77,280(1)
Guarantees of 6.00% Senior Notes due 2022		(2)

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.
(2) Pursuant to Rule 457(n), no registration fee is payable with respect to any such guarantees.

PROSPECTUS

$600,000,000

CDW LLC and

CDW Finance Corporation

6.00% Senior Notes due 2022

Interest payable on February 15 and August 15

We are offering $600,000,000 aggregate principal amount of 6.00% senior notes due 2022 (the notes). The notes will mature on August 15, 2022. Interest will accrue from August 5, 2014, and the first interest payment date will be February 15, 2015.

We may redeem the notes at any time, in whole or in part, prior to August 15, 2017 at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, to the redemption date and a make-whole premium. Thereafter, we may redeem all or part of the notes at the redemption prices set forth herein. In addition, at any time prior to August 15, 2017, we may also redeem up to 40% of the aggregate principal amount of the notes with the net cash proceeds from certain equity offerings. If we experience specific kinds of changes of control, we must offer to purchase the notes.

The notes will be unsecured senior obligations of CDW LLC and CDW Finance Corporation (CDW Finance), will rank equal in right of payment with all of their existing and future senior indebtedness, but will be effectively subordinated to their existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness, and will be senior in right of payment to any of their existing and future subordinated indebtedness. The notes will be guaranteed on an unsecured senior basis by CDW Corporation, the direct parent of CDW LLC and CDW Finance, and all of the direct and indirect domestic subsidiaries of CDW LLC that are guarantors under our senior secured term loan facility (the Term Loan Facility). The notes will be structurally subordinated to all of the liabilities and preferred stock of each of the subsidiaries of CDW LLC that do not guarantee the notes.

Investing in the notes involves risks. You should refer to Risk Factors beginning on page 22 of this prospectus and the risk factors included in our Annual Report on Form 10-K for the year ended December 31, 2013 filed with the Securities and Exchange Commission (the SEC) on March 5, 2014 (which document is incorporated by reference herein), our other periodic reports and other information that we file with the SEC incorporated by reference in this prospectus and carefully consider that information before deciding to purchase any notes.

	Per Note	***Total***
Public offering price(i)	*100.000%*	*$600,000,000*
Underwriting discounts and commissions paid by us	*1.125%*	*$6,750,000*
Net proceeds, before expenses, to us(i)	*98.875%*	*$593,250,000*

(i) Plus accrued interest, if any, from August 5, 2014.
Neither the SEC nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

We expect that delivery of the notes will be made to investors in book-entry form through The Depository Trust Company on or about August 5, 2014.

Joint-Lead and Joint Book-Running Managers

MORGAN STANLEY *BARCLAYS*

July 31, 2014

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information. You should not assume that the information contained or incorporated by reference in this prospectus is accurate as of any date other than the date of this prospectus. We and the underwriters are not making an offer of these securities in any state where the offer is not permitted.

ABOUT THIS PROSPECTUS

We and the underwriters have not authorized any dealer, salesman or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. You must not rely upon any information or representation not contained or incorporated by reference in this prospectus or any such free writing prospectus. This prospectus and any such free writing prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the registered securities to which they relate, nor do this prospectus and any such free writing prospectus constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. You should not assume that the information contained in this prospectus and any such free writing prospectus subsequent to the date set forth on the front of the document or that any information we have incorporated by reference is correct on any date subsequent to the date of the document incorporated by reference, even though this prospectus and any such free writing prospectus is delivered or securities are sold on a later date.

TRADEMARKS AND SERVICE MARKS

This prospectus includes our trademarks, such as CDW, which are protected under applicable intellectual property laws and are the property of CDW Corporation or its subsidiaries. This prospectus also contains trademarks, service marks, trade names and copyrights of other companies, which are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ® or TM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and trade names.

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PROSPECTUS SUMMARY

This summary highlights information included or incorporated by reference in this prospectus. You should carefully read the entire prospectus, including the section entitled Risk Factors and the consolidated financial statements and notes related to those statements incorporated by reference in this prospectus, before deciding to purchase any notes. Unless otherwise indicated or the context otherwise requires, the terms we, us, our, the Company, CDW and oth similar terms refer to the business of CDW Corporation and its consolidated subsidiaries.

OUR BUSINESS

Our Company

CDW is a Fortune 500 company and a leading provider of integrated information technology (IT) solutions in the United States and Canada. We help our customer base of approximately 250,000 small, medium and large business, government, education and healthcare customers by delivering critical solutions to their increasingly complex IT needs. Our broad array of offerings ranges from discrete hardware and software products to integrated IT solutions such as mobility, security, data center optimization, cloud computing, virtualization and collaboration. We are technology agnostic, with a product portfolio that includes more than 100,000 products from more than 1,000 brands. We provide our products and solutions through sales force and service delivery teams consisting of more than 4,500 coworkers, including more than 1,800 field sellers, highly skilled technology specialists and advanced service delivery engineers.

Our sales growth has historically outpaced U.S. IT spending growth. From 2003 to 2013, we grew our net sales at a compound annual growth rate (CAGR) of 8.7%, while U.S. IT spending and U.S. real GDP grew at CAGRs of only 4.7% and 1.7%, respectively, according to International Data Corporation (IDC) and the Bureau of Economic Analysis, respectively.

We are a leading U.S. sales channel partner for many original equipment manufacturers (OEMs) and software publishers (collectively, our vendor partners), whose products we sell or include in the solutions we offer. We believe we are an important extension of our vendor partners sales and marketing capabilities, providing them with a cost-effective way to reach customers and deliver a consistent brand experience through our established end-market coverage and extensive customer access.

We provide value to our customers by simplifying the complexities of technology across design, selection, procurement, integration and management. Our goal is to have our customers, regardless of their size, view us as an indispensable extension of their IT staffs. We seek to achieve this goal by providing our customers with superior service through our large and experienced sales force and service delivery teams. Our multi-brand offering approach enables us to identify the products or combination of products that best address each customer s specific organizational IT requirements and to evolve our offerings as new technologies develop.

We believe we offer the following value proposition to our customers and our vendor partners:

Our value proposition to our customers	**Our value proposition to our vendor partners**
Broad selection of products and multi-branded IT solutions	Access to approximately 250,000 customers throughout the United States and Canada

Value-added services with integration capabilities	Large and established customer channels
Highly skilled specialists and engineers	Strong distribution and implementation capabilities
Solutions across a very broad IT landscape	Value-added solutions and marketing programs that generate end-user demand

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Our customers include private sector businesses that typically employ fewer than 5,000 employees, government agencies and educational and healthcare institutions. We serve our customers through channel-specific sales teams and service delivery teams with extensive technical skills and knowledge of the specific markets they serve. This market segmentation allows us to customize our offerings and to provide enhanced expertise in designing and implementing IT solutions for our customers. We currently have five dedicated customer channels: medium/large business, small business, government, education and healthcare, four of which generated more than $1 billion in net sales in 2013. The scale and diversity of our customer channels provide us with multiple avenues for growth and a balanced customer base to weather economic and technology cycles.

The following table provides information regarding our reportable segments and our customer channels. In the first quarter of 2014, we moved our financial services and legal services verticals from the small business channel to the medium/large business channel. Amounts in the table below have been reclassified to conform to the current presentation.

	Corporate segment		**Public segment**			
Customer channels	**Medium/large business**	**Small business**	**Government**	**Education**	**Healthcare**	**Other**
Target customers	100 - 5,000 employees	20 - 100 employees	Various federal, state and local agencies	Higher education and K-12	Hospitals, ambulatory service providers and long-term care facilities	Advanced services customers plus Canada
2013 net sales (in billions)	$5.1	$0.9	$1.3	$1.4	$1.5	$0.6
2010-2013 CAGR	9%	1%	(3)%	6%	14%	17%
2008-2010 CAGR	0%	1%	11%	8%	15%	12%

We offer more than 1,000 brands, from well-established companies such as APC, Apple, Cisco, EMC, Hewlett-Packard, IBM, Lenovo, Microsoft, NetApp, Symantec and VMware to emerging vendor partners such as Drobo, Fusion-io, Meraki, Nimble Storage, Salesforce.com, Sophos and Splunk. In 2013, we generated more than $1 billion of revenue for each of four of our vendor partners and more than $100 million of revenue for each of 11 other vendor partners. We have received the highest level of certification from major vendor partners such as Cisco, EMC and Microsoft, which reflects the extensive product and solution knowledge and capabilities that we bring to our customers IT challenges. These certifications also provide us with access to favorable pricing, tools and resources, including vendor incentive programs, which we use to provide additional value to our customers. Our vendor partners also regularly recognize us with top awards and select us to develop and grow new customer solutions.

In 2013, our net sales, Adjusted EBITDA, net income and Non-GAAP net income were $10.8 billion, $808.5 million, $132.8 million and $314.3 million, respectively. For the three months ended March 31, 2014, our net sales, Adjusted EBITDA, net income and Non-GAAP net income were $2.7 billion, $193.7 million, $50.9 million and $81.1 million, respectively. Adjusted EBITDA and Non-GAAP net income are non-GAAP financial measures. See Summary Historical Consolidated Financial Information for the definitions of Adjusted EBITDA and Non-GAAP net income, the reasons for their inclusion and a reconciliation to net income.

Our Market

We operate in the U.S. and Canadian IT market, which is a large and growing market. According to IDC, the overall U.S. IT market generated approximately $660 billion in sales in 2013. We believe our addressable market in the United States in the indirect sales channel represents more than $200 billion in annual sales and for the year ended December 31, 2013, our U.S. net sales of $10.3 billion represented approximately 5% of that highly diverse and fragmented market. According to IDC, the overall Canadian IT market generated more than $50 billion in sales in 2013. We believe our addressable market in Canada in the indirect sales channel represents more than $10 billion in annual sales and for the year ended December 31, 2013, our net sales of $475 million in Canada represented approximately 4% of that market. We believe we have the largest market share in our addressable market, with our 2013 net sales exceeding the cumulative North American net sales of our four largest publicly traded sales channel competitors, based upon publicly available information for those companies. New technologies, including cloud, virtualization and mobility, coupled with the resulting increase in demand for data as well as aging infrastructure, are increasingly requiring businesses and institutions to seek integrated solutions to their IT needs. We expect this trend to continue for the foreseeable future, with end-user demand for business efficiency and productivity driving future IT spending growth.

The charts below depict the current principal sales channels for vendors in the IT market and our estimate of our market-leading share of our addressable market in the United States:

Our History

CDW was founded in 1984. We were a public company from 1993 until October 2007, when we were acquired by newly formed entities controlled by Madison Dearborn Partners (Madison Dearborn) and Providence Equity Partners (Providence Equity, and together with Madison Dearborn, the Equity Sponsors) in a transaction valued at approximately $7.4 billion (the Acquisition). On July 2, 2013, we completed an initial public offering of 23,250,000 shares of common stock of CDW Corporation at a price of $17.00 per share, and on July 31, 2013, we completed the sale of an additional 3,487,500 shares of common stock of CDW Corporation at that price pursuant to the underwriters exercise in full of the option to purchase additional shares granted to them in connection with that offering. We have subsequently completed three secondary offerings of common stock of CDW Corporation, whereby certain selling stockholders have sold 46,000,000 shares of common stock of CDW Corporation at prices ranging from $20.50 per share to $28.35 per share.

Since our inception, our company has exhibited a strong culture of customer service while operating with a lean, highly efficient cost structure. Over the past ten years, we have grown our sales nearly twice as fast as the overall U.S. IT market and maintained strong operating profitability across economic cycles. Most of our growth has been organic, driven largely by our strong execution as well as through our effective market segmentation. Over the years, we have been able to identify attractive growth opportunities, dedicate resources to them and execute on our strategy to capture above-market growth. For example, in 2005, we launched a sales team for our healthcare customer channel, which has since grown to represent nearly $1.5 billion in net sales in 2013. Our last

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acquisition was in 2006, when we acquired Berbee Information Networks Corporation, a regional provider of technology products, solutions and customized engineering services in advanced technologies. We leveraged this acquisition to significantly enhance our ability to deliver advanced solutions throughout the United States and Canada, adding approximately 700 specialists, field sellers and engineers since the time of the acquisition to further enhance these capabilities.

Since the Acquisition, we have continued to expand our customer footprint, breadth of products and solutions and developed stronger and deeper relationships with a greater number of our vendor partners. We increased our net sales from approximately $8 billion in 2008 to more than $10 billion in 2013, and increased our Adjusted EBITDA by 42% during that period.

We have increased our focus as an IT solutions provider and further diversified our business. We have become more efficient and have continued to improve our coworker productivity, improving our net sales per coworker from $1.22 million in 2008 to $1.56 million in 2013. We have also substantially reduced our leverage through debt reduction and improvement in our Adjusted EBITDA.

Our Competitive Strengths

We believe the following strengths have contributed to our success and enabled us to become an important strategic partner for both our customers and our vendor partners:

Significant Scale and Scope

Breadth of Solutions: We are able to provide our customers with a selection of more than 100,000 products from more than 1,000 brands and a multitude of advanced technology solutions. We are technology agnostic, which we believe better enables us to meet our customers evolving IT needs. We have leveraged our scale to provide a high level of customer service and a breadth of technology options, making it easy for customers to do business with us.

Extensive Reach: We have a large sales organization, providing our vendor partners access to approximately 250,000 customers. Our extensive reach allows us to provide customers with local, on-site support, while at the same time providing them with the strength and consistency of a large and established organization. We believe this flexibility is particularly important to our customers with multiple geographically-dispersed locations. By engaging with a single IT solutions provider, customers can improve overall efficiency and effectiveness through the use of one set of standards across multiple locations and control costs through centralized purchasing.

Operational Cost Efficiencies: Our scale provides us with operational cost efficiencies across our organization, including purchasing, operations, IT, sales, marketing and other support functions. Our scale also enables us to negotiate volume discounts and other incentives from our vendor partners. We leverage these advantages to provide cost-efficient service to our customers.

Distribution Advantages: Our scale allows us to maintain two modern distribution centers with sufficient capacity to support future growth. Our distribution capabilities enable us to provide effective and efficient inventory management and configuration services and operate a flexible procurement and fulfillment model, which we believe further distinguishes us from our competitors.

Performance-Driven Coworker Culture

Our steadfast focus on serving our customers and investing in our coworkers has fostered a strong, entrepreneurial make it happen culture. Since our founding, we have adhered to a core philosophy known as

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the Circle of Service, which places the customer at the center of all of our actions. Our compensation structure is a key component of our performance-driven culture, with a significant portion of compensation based on performance. Our senior management s incentive compensation is based on both market share gains and our overall financial performance, and our account managers incentive compensation is based on the gross profit they generate. In addition, we have consistently and cost-effectively invested in our coworkers by providing extensive coworker training, supplying our coworkers with resources that contribute to their success, and offering them career development and advancement opportunities. This consistent focus on customers and coworkers has created a customer-centric, highly engaged coworker base. We believe this philosophy ultimately benefits our customers and fosters long-term customer loyalty.

Large and Knowledgeable Direct Selling Organization

We have a large and highly experienced sales force providing multi-brand solutions throughout the United States and Canada. Our sales force and service delivery teams consist of more than 4,500 coworkers, including more than 2,900 account managers and field sellers. We believe our success is due in part to the strength of our account managers dedicated relationships with customers that are developed by frequently calling on existing and new customers, providing advice on products, responding to customer inquiries and developing solutions to our customers complex technology needs. The deep industry knowledge of our dedicated sales, marketing and support resources within each of our customer channels allows us to understand and solve the unique challenges and evolving IT needs of our customers.

Highly Skilled Technology Specialists and Engineers Focused on Delivering Solutions

We have more than 1,400 highly skilled technology specialists and engineers supporting solutions such as mobility, security, data center optimization, cloud computing, virtualization and collaboration. These individuals bring deep product and solution knowledge and experience to the technology challenges of our customers. We believe our technology specialists and engineers, who work with customers and our sales force to design, select, integrate and manage solutions, are a critical resource and differentiator for us as we seek to continue to expand our offerings of value-added services and solutions. We believe that the knowledge and experience that our technology specialists and engineers bring to our customers needs allow us to pursue the expected higher growth opportunities from solutions offerings.

Large and Established Customer Channels

We have five customer channels, four of which each accounted for more than $1 billion of our net sales in 2013. Our channels provide us with the scale to offer channel- and industry-specific solutions to our customers. Our specialized sales resources and targeted solutions enable us to better meet our customers evolving IT needs. In addition, the diversity of our customer channels provides us multiple avenues for growth and a balanced customer base, which enable us to better weather economic and technology cycles.

Strong, Established Vendor Partner Relationships

We believe that our strong vendor partner relationships differentiate us from other technology solutions providers. We are the largest U.S. sales channel partner for many of our vendor partners. We believe this makes us an important extension of their own sales and marketing capabilities, providing them with a cost-effective route to market for their products. We are also able to provide valuable customer feedback to our vendor partners, which allows us to collaborate with our vendor partners to develop solutions to meet our customers changing and evolving needs.

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Our Growth Strategies

We believe we are well-positioned for growth and have a multifaceted strategy that builds upon our scale, broad solutions offerings and our important role in delivering value for both our customers and vendor partners. We believe we can further enhance our position as a leading provider of integrated IT solutions and increase our revenues and operating profits by capitalizing on our competitive strengths and executing the following strategies:

Further Penetrate Core Customer Markets

We compete in a highly fragmented market and believe this fragmentation presents significant opportunities for us to increase our market share. We intend to maintain our focus on continuing to outpace our competitors in revenue growth in the markets we serve through increased share of wallet from existing customers and sales to new customers. We intend to accomplish this objective by:

- leveraging our existing deep customer relationships to grow customer verticals;
- continuing to focus on improvements in sales productivity and sales coverage in underpenetrated markets;
- dedicating additional resources in high growth customer channels; and
- leveraging our existing relationships with both established and emerging vendor partners.

Continue to Expand Solution Offerings

Our customers increasingly need complex integrated solutions, including solutions involving mobility, security, data center optimization, cloud computing, virtualization and collaboration, all of which are expected to grow at rates faster than the overall U.S. IT market. We offer a broad set of solutions to capture these growth opportunities. We intend to continue to invest resources to expand and deepen the capabilities of our technology specialists and engineers in these solutions, as well as in other technologies as they emerge. We will also continue to evaluate our suite of solutions and expand the range of our solutions as new customer needs emerge. We will continue to seek to identify and develop close, mutually beneficial relationships with both well-established and emerging vendor partners who are likely to be leaders across new technologies.

Expand Our Services Capabilities

As our customers needs for integrated solutions grow, we expect increased demand for our value-added services. We plan to continue to invest in resources and training for our technology specialists and services delivery coworkers to provide our customers with the expert advice and experience they need to make the most of their technology expenditures. We believe our services offerings have and will continue to create deeper relationships with our customers and create further opportunities to cross-sell our products.

RECENT DEVELOPMENTS

Financial Results for Three and Six Months Ended June 30, 2014

On July 31, 2014, we announced our unaudited financial results as of and for the three and six months ended June 30, 2014, as set forth below.

These financial results should not be viewed as a substitute for full financial statements prepared in accordance with generally accepted accounting principles (GAAP). In addition, these financial results as of and for the three and six months ended June 30, 2014 are not necessarily indicative of the results to be achieved in any future period. Our consolidated financial statements and related notes as of and for the three and six months ended June 30, 2014 are not expected to be filed with the SEC until after this offering is completed.

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Three Months Ended June 30, 2014

Total net sales in the three months ended June 30, 2014 were $3.106 billion, compared to $2.779 billion in the three months ended June 30, 2013, an increase of 11.8%. Average daily sales in the three months ended June 30, 2014 were $48.5 million, compared to $43.4 million in the three months ended June 30, 2013. There were 64 selling days in both the three months ended June 30, 2014 and 2013.

Gross profit for the three months ended June 30, 2014 was $496.9 million, compared to $451.6 million in the three months ended June 30, 2013, representing an increase of 10.0%. Gross profit margin was 16.0% in the three months ended June 30, 2014 versus 16.2% for the three months ended June 30, 2013, primarily reflecting the ongoing impact of both mix and pricing pressure from lower-margined, more transactional products.

Excluding expenses related to non-cash equity and retention compensation expense and certain other items, Adjusted EBITDA was $247.1 million in the three months ended June 30, 2014, compared to $212.6 million in the three months ended June 30, 2013, representing an increase of 16.3%. Adjusted EBITDA margin for the three months ended June 30, 2014 was 8.0%, approximately 40 basis points higher than the three months ended June 30, 2013.

Net income was $86.6 million in the three months ended June 30, 2014 versus net income of $46.7 million in the three months ended June 30, 2013. Non-GAAP net income, which excludes intangible asset amortization expense related to the 2007 going-private transaction, certain debt refinancing expenses and certain other costs was $115.9 million in the three months ended June 30, 2014, compared to $79.2 million in the three months ended June 30, 2013, representing an increase of 46.3% driven by stronger operating results and lower interest expense.

Six Months Ended June 30, 2014

Total net sales in the six months ended June 30, 2014 were $5.758 billion, compared to $5.191 billion in the six months ended June 30, 2013, an increase of 10.9%. Average daily sales for the six months ended June 30, 2014 were $45.3 million, compared to $40.9 million for the six months ended June 30, 2013, representing a 10.9% increase. There were 127 selling days in the six months ended June 30, 2014 and 2013.

Gross profit for the six months ended June 30, 2014 was $922.1 million, compared to $853.6 million in the six months ended June 30, 2013, representing an increase of 8.0%.

Excluding non-cash equity compensation and retention compensation expense, net litigation gains and certain other items, Adjusted EBITDA was $440.8 million in the six months ended June 30, 2014, compared to $391.2 million in the six months ended June 30, 2013, representing an increase of 12.7%. Adjusted EBITDA margin was 7.7% in the six months ended June 30, 2014 versus 7.5% in the six months ended June 30, 2013.

Net income was $137.5 million for the six months ended June 30, 2014, up 83.4% compared to net income of $75.0 million in the six months ended June 30, 2013. Debt extinguishment charges were $8.0 million in the six months ended June 30, 2014, compared to $14.2 million for the six months ended June 30, 2013. Interest expense was $98.6 million for the six months ended June 30, 2014, 30.8% below interest expense of $142.4 million for the six months ended June 30, 2013.

Non-GAAP net income, which excludes amortization related to the 2007 going-private transaction and certain debt refinancing and other costs, was $197.0 million in the six months ended June 30, 2014, compared to $135.5 million in the six months ended June 30, 2013, representing an increase of 45.4% driven by stronger operating results and lower interest expense.

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Statement of Operations Data

(dollars in millions)

(unaudited)

	Three months ended June 30,			Six months ended June 30,		
	2014	2013	% Change[1]	2014	2013	% Change[2]
Net sales	$ 3,106.0	$ 2,779.3	11.8%	$ 5,758.3	$ 5,191.0	10.9%
Cost of sales	2,609.1	2,327.7	12.1	4,836.2	4,337.4	11.5
Gross profit	496.9	451.6	10.0	922.1	853.6	8.0
Selling and administrative expenses	273.9	266.4	2.8	534.8	517.9	3.3
Advertising expense	34.8	31.6	9.8	63.3	62.0	2.1
Income from operations	188.2	153.6	22.5	324.0	273.7	18.4
Interest expense, net	(48.5)	(70.3)	(31.1)	(98.6)	(142.4)	(30.8)
Net loss on extinguishments of long-term debt	(2.6)	(10.3)	(74.9)	(8.0)	(14.2)	(43.6)
Other income, net	0.1	0.2	(68.6)	0.6	0.6	9.2
Income before income taxes	137.2	73.2	87.4	218.0	117.7	85.3
Income tax expense	(50.6)	(26.5)	90.8	(80.5)	(42.7)	88.6
Net income	$ 86.6	$ 46.7	85.5%	$ 137.5	$ 75.0	83.4%

(1) There were 64 selling days for both the three months ended June 30, 2014 and 2013.
(2) There were 127 selling days for both the six months ended June 30, 2014 and 2013.

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Balance Sheet Data

(in millions)

(unaudited)

	June 30, 2014
Assets	
Current assets:	
Cash and cash equivalents	$ 227.6
Accounts receivable, net of allowance for doubtful accounts of $5.7	1,526.1
Merchandise inventory	449.6
Miscellaneous receivables	159.6
Deferred income taxes	
Prepaid expenses and other	52.4
Total current assets	2,415.3
Property and equipment, net	129.8
Goodwill	2,220.1
Other intangible assets, net	1,247.0
Deferred financing costs, net	31.5
Other assets	1.6
Total assets	$ 6,045.3
Liabilities and Shareholders Equity	
Current liabilities:	
Accounts payable trade	$ 809.9
Accounts payable inventory financing	&