



FOR IMMEDIATE RELEASE

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SYSTEMAX REPORTS RECORD QUARTERLY SALES

PORT WASHINGTON, NY, May 4, 2004 - Systemax Inc. (NYSE:SYX), a leading manufacturer and distributor of PC hardware, related computer products and industrial products in North America and Europe, today announced results for the first quarter ended March 31, 2004.

Net sales for the first quarter were a record \$485.7 million compared to \$426.5 million in the year ago quarter, an increase of 13.9% and 11% higher than fourth quarter sales in 2003 which is typically the Company's strongest quarter. Sales in North America increased 13.9% compared to the year ago quarter, fueled by strong internet sales at the Company's Tiger Direct subsidiary. European sales increased 13.9% in US dollars and were generally above year ago levels in local currencies. Net income was \$2.4 million (\$.07 per fully diluted share) compared to \$5.0 million (\$.15 per fully diluted share) in the same period last year. Results in 2004 include \$4.0 million of pretax restructuring charges relating to the Company's reorganization of its computer business. Excluding the effects of restructuring and other charges, net income would have been \$5.2 million, or \$.15 per diluted share, compared to \$5.1 million, or \$.15 per diluted share, last year. (A reconciliation between income from operations, as reported in accordance with GAAP, and pro forma net income, excluding the adjustments discussed above, has been provided.)

Richard Leeds, Chairman and Chief Executive Officer, stated, "We continue to record strong sales in our North American computer business through our expanded e-commerce activities in the consumer market. I am particularly encouraged by the overall growth of our consolidated e-commerce sales which amounted to 25.1% of consolidated net sales this year compared to 20.9% last year. Our previously announced computer business reorganization is almost complete. In the second quarter we should begin to see the effect of the reductions in personnel and expenses that we have made." Mr. Leeds added, "The pressure on gross margins eased somewhat during the first quarter, especially in Europe, improving overall to 15.4% of net sales from 14.9% in the prior quarter. However, it is still below the 17.0% achieved a year ago."

Systemax Inc. (www.systemax.com) has developed an integrated system of branded e-commerce web sites, direct mail catalogs, infomercials and relationship marketers to sell PC hardware, related computer products and industrial products in North America and Europe. Systemax is a Fortune 1000 company.

SYSTEMAX INC.

Condensed Consolidated Statements of Operations

(In thousands, except per share and share amounts)

	Three Months Ended	
	<u>March 31,</u>	
	<u>2004</u>	<u>2003</u>
Net Sales	\$485,736	\$426,461
Cost of Sales	<u>410,916</u>	<u>353,983</u>
Gross Profit	74,820	72,478
Selling, General and Administrative Expenses	65,575	63,801
Restructuring and Other Charges	<u>4,042</u>	<u>112</u>
Income From Operations	5,203	8,565
Interest And Other Expense, Net	<u>647</u>	<u>214</u>
Income Before Income Taxes	4,556	8,351
Provision For Income Taxes	<u>2,144</u>	<u>3,316</u>
Net Income	<u>\$2,412</u>	<u>\$5,035</u>
Net Income Per Common Share:		
Basic	<u>\$.07</u>	<u>\$.15</u>
Diluted	<u>\$.07</u>	<u>\$.15</u>
Weighted Average Common And Common Equivalent Shares:		
Basic	<u>34,304,883</u>	<u>34,104,290</u>
Diluted	<u>35,218,480</u>	<u>34,104,290</u>

SYSTEMAX INC.
Condensed Consolidated Balance Sheet
(In thousands)

	As of March 31, <u>2004</u>	As of December 31, <u>2003</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$39,634	\$38,702
Accounts receivable, net	162,754	152,435
Inventories	154,592	133,905
Prepaid expenses and other current assets	33,135	36,984
Total Current Assets	<u>390,115</u>	<u>362,026</u>
Property, plant and equipment, net	67,173	68,647
Other assets	11,628	14,982
TOTAL	<u><u>\$468,916</u></u>	<u><u>\$445,655</u></u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt and notes payable to banks	\$23,069	\$20,814
Accounts payable and accrued expenses	211,034	192,146
Total Current Liabilities	<u>234,103</u>	<u>212,960</u>
Long-term debt	18,149	18,353
Other liabilities	1,702	1,768
Shareholders' equity	<u>214,962</u>	<u>212,574</u>
TOTAL	<u><u>\$468,916</u></u>	<u><u>\$445,655</u></u>

Systemax Inc.

Reconciliation of GAAP income to earnings excluding certain charges

(In thousands, except per share data)

(Unaudited)

	Three months ended	
	March 31,	
	<u>2004</u>	<u>2003</u>
Income from operations	\$5,203	\$8,565
Adjustments:		
Restructuring charges (1)	<u>4,042</u>	<u>112</u>
Earnings excluding certain charges before interest and income taxes	9,245	8,677
Interest and other expense, net	<u>647</u>	<u>214</u>
Earnings excluding certain charges before income taxes	8,598	8,463
Provision for income taxes	<u>3,365</u>	<u>3,350</u>
Earnings excluding certain charges	<u>\$5,233</u>	<u>\$5,113</u>
Earnings excluding certain charges per diluted share	<u>\$.15</u>	<u>\$.15</u>
Diluted weighted average shares outstanding	<u>35,218</u>	<u>34,104</u>

(1) The \$4.0 million of restructuring charges in the first quarter of 2004 is comprised primarily of severance and related costs for personnel terminated in the quarter.

NOTE - The above reconciliation is intended to present Systemax's operating results, excluding certain charges and providing income taxes (benefits) at local effective tax rates. This reconciliation is not in accordance with, or an alternative method for, generally accepted accounting principles in the United States, and may be different from similar measures presented by other companies. The presentation of this financial measure facilitates meaningful comparison with prior periods.

Forward-Looking Statements

This press release contains forward-looking statements about the Company's performance. These statements are based on management's estimates, assumptions and projections and are not guarantees of future performance. The Company assumes no obligation to update these statements. Actual results may differ materially from results expressed or implied in these statements as the result of risks, uncertainties and other factors including, but not limited to: (a) unanticipated variations in sales volume, (b) economic conditions and exchange rates, (c) actions by competitors, (d) the continuation of key vendor relationships, (e) the ability to maintain satisfactory loan agreements with lenders, (f) risks associated with the delivery of merchandise to customers utilizing common carriers, (g) the operation of the Company's management information systems, and (h) unanticipated legal and administrative proceedings. Please refer to the Forward Looking Statements section contained in Item 7 of the Company's Form 10-K for a more detailed explanation of the inherent limitations in such forward-looking statements.

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