



**FOR IMMEDIATE RELEASE**

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**SYSTEMAX REPORTS RESTATED 2004 RESULTS**

**PORT WASHINGTON, NY, September 9, 2005** - Systemax Inc. (NYSE:SYX), a leading distributor and manufacturer of PC hardware, related computer products and industrial products in North America and Europe, today announced its restated results for the year ended December 31, 2004, including each of the four quarters of 2004, and the restatement of opening retained earnings. Net income for the year ended December 31, 2004 decreased by \$2.0 million from \$12.6 million (\$.36 per diluted share) as originally reported to \$10.6 million (\$.30 per diluted share).

On May 11, 2005 the Company reported the discovery of errors in accounting for inventory at its Tiger Direct, Inc. subsidiary which affected the Company's previously issued consolidated financial statements for the year ended December 31, 2004. The Company immediately commenced and has now completed an internal review of its accounting for the year ended December 31, 2004, resulting in the restatement. The Company also determined during its internal review of its 2004 results that, in addition to the corrections for errors in accounting for inventory, revenue that had been recognized at time of shipment based upon FOB shipping point terms should have been recognized at time of receipt by customers, when title and risk of loss both transferred. The effect of this correction is included in the restated results.

The Company is currently in the process of preparing an amended Form 10-K to reflect the restated results. Following issuance of the amended Form 10-K, the Company will commence preparation of its Forms 10-Q for the first and second quarters of 2005.

The tables below set forth the restated and the applicable original results for each of the periods and balance sheet as of December 31, 2004.

**Consolidated Statements of Operations**

*(In thousands, except per common share amounts)*

	<b>Year Ended Dec. 31, 2004</b>	<b>Quarter 1 2004</b>	<b>Quarter 2 2004</b>	<b>Quarter 3 2004</b>	<b>Quarter 4 2004</b>
<b><i>As restated:</i></b>					
Net sales	\$1,926,523	\$482,883	\$433,267	\$457,984	\$552,389
Cost of sales	1,639,439	405,825	365,740	386,735	481,139
Gross profit	287,084	77,058	67,527	71,249	71,250
Selling, general & administrative expenses	267,467	69,617	65,074	67,442	65,334
Income from operations	19,617	7,441	2,453	3,807	5,916
Interest and other expense, net	2,443	647	426	715	655
Income before provision for income taxes	17,174	6,794	2,027	3,092	5,261
Provision for income taxes	6,601	2,719	1,965	1,759	158
Net income	\$10,573	\$4,075	\$62	\$1,333	\$5,103

Net income per common share – diluted

\$ .30      \$ .12      \$ .00      \$ .04      \$ .14

***As originally reported:***

Net sales	\$1,927,835	\$485,736	\$430,990	\$460,271	\$550,838
Cost of sales	1,637,452	411,597	363,854	387,786	474,215
Gross profit	290,383	74,139	67,136	72,485	76,623
Selling, general & administrative expenses	267,467	69,617	65,074	67,442	65,334
Income from operations	22,916	4,522	2,062	5,043	11,289
Interest and other expense, net	2,443	647	426	715	655
Income before provision for income taxes	20,473	3,875	1,636	4,328	10,634
Provision for income taxes	7,923	1,940	1,441	2,155	2,387
Net income	\$12,550	\$1,935	\$195	\$ 2,173	\$8,247

Net income per common share – diluted

\$ .35      \$ .05      \$ .01      \$ .06      \$ .23

## Consolidated Balance Sheet - December 31, 2004

(In thousands)

<u>ASSETS</u>	<u>As originally reported</u>	<u>As restated</u>
<b>CURRENT ASSETS</b>		
Cash, and cash equivalents	\$ 36,257	\$ 36,257
Accounts receivable, net	153,724	137,706
Inventories, net	176,227	188,006
Prepaid expenses and other current assets	24,888	24,888
Deferred tax assets – current	8,812	9,590
Total Current Assets	399,908	396,447
PROPERTY AND EQUIPMENT, net	65,563	65,563
DEFERRED TAX ASSETS - NON CURRENT	18,268	18,645
OTHER ASSETS	561	561
<b>TOTAL ASSETS</b>	<b>\$ 484,300</b>	<b>\$ 481,216</b>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of long-term debt and notes payable to bank	\$ 16,560	\$ 16,560
Accounts payable	161,864	163,786
Accrued expenses and other current liabilities	53,242	53,242
Accrued taxes payable	7,514	6,397
Total Current Liabilities	239,180	239,985
LONG-TERM DEBT	17,099	17,099
OTHER NON-CURRENT LIABILITIES	1,505	1,505
<b>SHAREHOLDERS' EQUITY:</b>		
Common stock	382	382
Treasury stock	(44,630)	(44,630)
Additional paid-in capital	180,530	180,640
Retained earnings (1)	91,307	87,479
Accumulated other comprehensive income, net of tax	4,093	3,922
Unearned restricted stock compensation	(5,166)	(5,166)
Total Shareholders' Equity	226,516	222,627
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 484,300</b>	<b>\$ 481,216</b>

NOTE: (1) Includes the impact of the restatement for the correction related to the timing of revenue recognition which decreased opening retained earnings by \$1.8 million.

### 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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