

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D. C. 20549  
FORM 10-K/A  
AMENDMENT NO. 1

(MARK ONE)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE  
ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES AND  
EXCHANGE COMMISSION

COMMISSION FILE NUMBER 0-23827

PC CONNECTION, INC.  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE  
-----

(State or other jurisdiction of  
incorporation or organization)

02-0497006  
-----

(I.R.S. Employer  
Identification No.)

RT. 101A, 730 MILFORD ROAD  
MERRIMACK, NEW HAMPSHIRE  
-----

(Address of principal executive offices)

03054  
-----

(Zip Code)

Registrant's telephone number, including area code (603) 423-2000  
-----

Securities registered pursuant to Section 12(b) of the Act:  
COMMON STOCK, \$.01 PAR VALUE, LISTED ON NASDAQ

Securities registered pursuant to Section 12(g) of the Act:Common Stock

Indicate by check mark whether the registrant (1) has filed all reports required  
to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during  
the preceding 12 months (or for such shorter period that the registrant was  
required to file such reports), and (2) has been subject to such filing  
requirements for the past 90 days.

YES X NO  
-----

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405  
of Regulation S-K is not contained herein, and will not be contained, to the  
best of registrant's knowledge, in definitive proxy or information statements  
incorporated by reference in Part III of this Form 10-K or any amendment to this  
Form 10-K. [ ]

The aggregate market value of the voting and non-voting stock held by non-  
affiliates of the Registrant, based upon the closing price of the Registrant's  
Common Stock as reported on the NASDAQ National Market on March 18, 1999, was  
\$49,347,000. Although directors and executive officers of the registrant were  
assumed to be "affiliates" of the registrant for the purposes of this  
calculation, this classification is not to be interpreted as an admission of  
such status.

The number of outstanding shares of the Registrant's Common Stock on March 18,  
1999 was 15,624,856.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement for the 1998 Annual Meeting of  
Shareholders for the fiscal year ended December 31, 1998, which is to be filed  
within 120 days of the end of the Company's fiscal year, are incorporated by  
reference into Part III of this Form 10-K. The incorporation by reference herein  
of portions of the Proxy Statement shall not be deemed to specifically  
incorporate by reference the information referred to in Item 402(a) (8) of  
Regulation S-K.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS, SCHEDULE, AND REPORTS ON FORM 8-K

(a) List of Documents Filed as Part of This Report:

(1) Financial Statements

The financial statements listed below are included in this document.

FINANCIAL STATEMENTS -----	PAGE ----
	REFERENCES -----
Report of Management.....	F-2
Independent Auditors Report.....	F-3
Balance Sheets.....	F-4
Statements of Income.....	F-5
Statement of Changes in Stockholders' Equity.....	F-6
Statements of Cash Flows.....	F-7
Notes to Financial Statements.....	F-8

(2) Financial Statement Schedule:

The following Financial Statement Schedule of the Company as set forth below is filed with this report:

SCHEDULE -----	PAGE REFERENCE -----
Schedule II - Valuation and Qualifying Accounts.....	S-1

(3)Supplementary Data

Not applicable.

(b) Reports on Form 8-K

Not applicable

(c) Exhibits

The exhibits listed below are filed herewith or are incorporated herein by reference to other filings.

EXHIBIT - - - - -	EXHIBIT INDEX	PAGE REFERENCE -----
S		
- -		
*2.1	Form of Agreement and Plan of Merger between PC Connection, Inc. a New Hampshire corporation, and the Registrant.	
*2.2	Form of Certificate of Merger of PC Connection, Inc. A New Hampshire corporation, and the Registrant to be filed with the Secretary of State of the State of Delaware.	
*2.3	Form of Articles of Merger of Domestic and Foreign Corporation between PC Connection, Inc., a New Hampshire corporation, and the Registrant to be filed with the Secretary of State of New Hampshire.	
*3.1	Restated Articles of Incorporation of Registrant to be effective on or prior to the date of the consummation of the Offering contemplated by this Registration Statement.	
*3.2	Amended and Restated Certificate of Incorporation of Registrant to be effective on or prior to the date of the consummation of the Offering contemplated by this Registration Statement.	
*3.3	Bylaws of Registrant, as amended to date.	
*3.4	Bylaws of Registrant effective on or prior to the date of the consummation of the Offering.	
*4.1	Form of specimen certificate for shares of Common Stock, \$0.01 par value per share, of the Registrant.	
*9.1	Form of 1998 PC Connection Voting Trust Agreement among the Registrant, Patricia Gallup individually and as a trustee, and David Hall individually and as trustee, to be entered into on or prior to the date of the consummation of the Offering contemplated by this Registration Statement.	

- \*10.1 1993 Incentive and Non-Statutory Stock Option Plan, as amended.
- \*10.2 1997 Stock Incentive Plan.
- \*10.3 Lease between the Registrant and Miller-Valentine Partners, dated September 24, 1990, as amended, for property located at 2870 Old State Route 73, Wilmington, Ohio.
- \*10.4 Lease between the Registrant and Lower Bellbrook Company, dated September 26, 1997, for property located at 643-651 Lower Bellbrook Avenue, Xenia, Ohio.
- \*10.5 Lease between the Registrant and Gallup & Hall partnership, dated May 1, 1997, for property located at 442 Marlboro Street, Keene, New Hampshire.
- \*10.6 Lease between the Registrant and Gallup & Hall partnership, dated June 1, 1987, as amended, for property located in Marlow, New Hampshire.
- \*10.7 Lease between the Registrant and Gallup & Hall partnership, dated July 22, 1998, for property located at 450 Marlboro Street, Keene, New Hampshire.
- \*10.8 Lease between the Registrant and Dataproducts Corporation, dated June 22, 1993, as amended, for property located at 528 Route 13 South, Milford, New Hampshire.
- \*10.9 Lease between the Registrant and Century Park, LLC, dated October 1, 1997 for property located at Route 111, Hudson, New Hampshire.
- \*10.10 Amended and Restated Lease between the Registrant and G&H Post, LLC, dated December 29, 1997 for property located at Route 101A, Merrimack, New Hampshire.
- \*10.11 Sublease between the Registrant and ABX Air Inc., dated June 7, 1995, for property located at 2870 Old State Route 73, Wilmington, Ohio.
- \*10.12 Employment Agreement between the Registrant and Wayne L. Wilson, dated August 16, 1995.
- \*10.13 Employment Agreement between the Registrant and Robert F. Wilkins, dated December 23, 1995.
- 10.14 (1) Severance Agreement between the Registrant and R. Wayne Roland, dated January 7, 1999.
- \*10.15 Letter Agreement between the Registrant and Airborne Freight Corporation D/B/A "Airborne Express," dated April 30, 1990, as amended.
- \*10.16 Agreement between the Registrant and Ingram Micro, Inc., dated October 30, 1997, as amended.
- \*10.17 State Street Bank and Trust Company Revolving Line of Credit and Term Loan, dated March 31, 1997, as amended.
- \*10.18 Employment Agreement, dated as of January 1, 1998, between the Registrant and Patricia Gallup.
- \*10.19 Employment Agreement, dated as of January 1, 1998, between the Registrant and David Hall.
- \*10.20 Form of Registration Rights Agreement among the Registrant, Patricia Gallup, David Hall and the 1998 PC Connection Voting Trust.
- 10.21 (1) Amendment No. 1 to Amended and Restated Lease between the Registrant and G&H Post, LLC, dated December 29, 1998 for property located at Route 101A, Merrimack, New Hampshire.
- 10.22 (1) Lease between Registrant and Dover Mills, LLC, dated August 1, 1998 for property located at Cocheco Falls Millworks, Dover, New Hampshire.
- 10.23 (1) Amended Lease Agreement between the Registrant and Dover Mills, LLC dated August 1, 1998.
- 10.24 (1) Employment Agreement between the Registrant and John L. Bomba, dated March 28, 1997.
- 10.25 (1) Employment Agreement between the Registrant and Mark A. Gavin, dated February 5, 1998.
- 23.1 Consent of Deloitte & Touche LLP
- \*23.3 Consent of PC World Communications, Inc.
- \*23.4 Consent of PC Magazine.
- 27.1 (1) Financial Data Schedule.

-----

\* Incorporated by reference from the exhibits filed with the Company's registration statement (333-41171) on Form S-1 filed under the Securities Act of 1933.

(1) Previously filed.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this Amendment No. 1 on Form 10-K/A to be signed on its behalf by the undersigned, thereunto duly authorized.

PC Connection, Inc.

Date: April 9, 1999

By: /s/ PATRICIA GALLUP

-----  
Patricia Gallup, Chairman and CEO

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in the Registration Statements of PC Connection, Inc. on Form S-8 (Nos. 333-69981, 333-50847, and 333-50845) of our report dated February 8, 1999, appearing in and incorporated by reference in the Annual Report on Form 10-K of PC Connection, Inc. for the year ended December 31, 1998.

/S/ DELOITTE & TOUCHE LLP

Boston, Massachusetts  
March 29, 1999