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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2001

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________________ to _______________

Commission file number 0-23827

PC CONNECTION, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	02-0513618
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
730 MILFORD ROAD, MERRIMACK, NEW HAMPSHIRE	03054
(Address of principal executive offices)	(Zip Code)

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

Indicate by check mark (X) 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 ___

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of the issuer's Common Stock, $.01 par value, as of August 2, 2001 was 24,517,854.

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PC CONNECTION, INC. AND SUBSIDIARIES
FORM 10-Q

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INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors and Stockholders of
PC Connection, Inc. and Subsidiaries
Merrimack, New Hampshire

We have reviewed the accompanying condensed consolidated balance sheet of PC Connection, Inc. and subsidiaries (the "Company") as of June 30, 2001, and the related condensed consolidated statements of income, changes in stockholders' equity and cash flows for the three-month and six-month periods included on Form 10-Q for the quarterly period ended June 30, 2001. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and of making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to such condensed consolidated financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of PC Connection, Inc. and subsidiaries as of December 31, 2000, and the related consolidated statements of income, stockholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated January 25, 2001, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2000 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

DELOITTE & TOUCHE LLP
Boston, Massachusetts
July 18, 2001

PC CONNECTION, INC. AND SUBSIDIARIES
Part I - Financial Information
Item 1 - Financial Statements
CONDENSED CONSOLIDATED BALANCE SHEETS
(amounts in thousands)

	June 30, 2001	December 31, 2000
	(unaudited)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 43,376	$ 7,363
Accounts receivable, net	113,327	139,644
Inventories--merchandise	44,993	54,679
Deferred income taxes	2,542	2,175
Income tax receivable	341	4,882
Prepaid expenses and other current assets	2,549	3,064
Total current assets	207,128	211,807
Property and equipment, net	29,359	28,665
Goodwill, net	9,158	9,509
Other assets	800	432
Total assets	$ 246,445	$ 250,413
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of capital lease obligation to affiliate	$ 162	$ 153
Current maturities of long-term debt	2,000	1,000
Accounts payable	81,473	86,216
Accrued expenses and other liabilities	8,683	12,769
Total current liabilities	92,318	100,138
Long-term debt, less current maturities	-	1,000
Capital lease obligation to affiliate, less current maturities	6,709	6,792
Deferred taxes	3,842	3,555
Other liabilities	152	241
Total liabilities	103,021	111,726
Stockholders' Equity:		
Common stock	245	244
Additional paid-in capital	72,409	71,542
Retained earnings	70,770	66,901
Total stockholders' equity	143,424	138,687
Total liabilities and stockholders' equity	$ 246,445	$ 250,413

See accompanying notes to condensed consolidated financial statements.

PC CONNECTION, INC. AND SUBSIDIARIES
Part I - Financial Information
Item 1 - Financial Statements
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(amounts in thousands, except per share data)

	Three Months Ended June 30, 2001	Three Months Ended June 30, 2000	Six Months Ended June 30, 2001	Six Months Ended June 30, 2000
Net sales	$ 297,338	$ 366,090	$ 599,113	$ 699,889
Cost of sales	264,486	321,145	530,936	614,314
Gross profit	32,852	44,945	68,177	85,575
Selling, general and administrative expenses	30,653	30,903	61,116	59,910
Non-recurring charge	-	-	851	-
Income from operations	2,199	14,042	6,210	25,665
Interest expense	(277)	(334)	(654)	(674)
Other, net	396	165	684	369
Income before taxes	2,318	13,873	6,240	25,360
Income taxes	(882)	(5,272)	(2,371)	(9,640)
Net income	$ 1,436	$ 8,601	$ 3,869	$ 15,720
Earnings per common share:				
Basic	$ 0.06	$ 0.36	$ 0.16	$ 0.66
Diluted	$ 0.06	$ 0.34	$ 0.16	$ 0.62

See accompanying notes to condensed consolidated financial statements.

PC CONNECTION, INC. AND SUBSIDIARIES
Part I - Financial Information
Item 1 - Financial Statements
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)
(amounts in thousands)

	Common Stock		Additional	Retained	
	Shares	Amount	Paid In Capital	Earnings	Total
Balance, December 31, 2000	24,416	$ 244	$ 71,542	$ 66,901	$ 138,687
Exercise of stock options, including income tax benefits	11	-	140	-	140
Issuance of stock under employee stock purchase plan	86	1	727	-	728
Net income	-	-	-	3,869	3,869
Balance, June 30, 2001	24,513	$ 245	$ 72,409	$ 70,770	$ 143,424

See accompanying notes to condensed consolidated financial statements.

PC CONNECTION, INC. AND SUBSIDIARIES
Part I - Financial Information
Item 1 - Financial Statements
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(amounts in thousands)

	Six Months Ended June 30,	
	2001	2000
Cash Flows from Operating Activities:		
Net income	$ 3,869	$ 15,720
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,909	3,036
Deferred income taxes	(80)	(381)
Compensation under nonstatutory stock option agreements	-	51
Provision for doubtful accounts	5,346	4,443
(Gain)/loss on disposal of fixed assets	(77)	24
Changes in assets and liabilities:		
Accounts receivable	20,971	(38,557)
Inventories	9,686	(5,277)
Prepaid expenses and other current assets	5,056	(3,591)
Other non-current assets	(382)	(361)
Income tax benefits from exercise of stock options	8	2,960
Accounts payable	(4,768)	26,227
Accrued expenses and other liabilities	(4,086)	(25)
Net cash provided by operating activities	39,452	4,269
Cash Flows from Investing Activities:		
Purchases of property and equipment	(4,237)	(5,233)
Proceeds from sale of property and equipment	12	74
Payment for acquisitions, net of cash acquired	-	(2,158)
Net cash used for investing activities	(4,225)	(7,317)
Cash Flows from Financing Activities:		
Proceeds from short-term borrowings	47,020	167,961
Repayment of short-term borrowings	(47,020)	(167,961)
Repayment of notes payable	-	(1,000)
Repayment of capital lease obligation to affiliate	(74)	(36)
Issuance of stock upon exercise of nonstatutory stock options	132	2,406
Issuance of stock under employee stock purchase plan	728	479
Net cash provided by financing activities	786	1,849
Increase/(decrease) in cash and cash equivalents	36,013	(1,199)
Cash and cash equivalents, beginning of period	7,363	20,416
Cash and cash equivalents, end of period	$ 43,376	$ 19,217
Supplemental Cash Flow Information:		
Interest paid	$ 633	$ 293
Income taxes paid	295	10,957

See accompanying notes to condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1-Basis of Presentation

The accompanying condensed consolidated financial statements of PC Connection, Inc. and Subsidiaries ("PCC" or the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America. Such principles were applied on a basis consistent with those of the financial statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2000 filed with the Securities and Exchange Commission ("SEC"). The accompanying condensed consolidated financial statements should be read in conjunction with the financial statements contained in the Company's Annual Report on Form 10-K. In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation. The operating results for the three and six months ended June 30, 2001 may not be indicative of the results expected for any succeeding quarter or the entire year ending December 31, 2001.

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. This includes a reclassification made to the income statements for the three and six months ended June 30, 2000 to effect the December 2000 adoption by the Company of Emerging Issues Task Force Issue 00-10, "Accounting for Shipping and Handling Fees and Costs." The Consensus specifically stated that all amounts billed to a customer in a sale transaction related to shipping and handling, if any, represent revenues earned for the goods provided and should be classified as revenue. It was previously the Company's policy to record such revenues as a reduction of cost of goods sold. All net sales amounts and gross margin percentages reflect the reclassification of amounts billed to customers in sales transactions related to shipping and handling as revenue.

The Company adopted Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," effective January 1, 2001. The adoption of SFAS No. 133 did not have any impact on either the financial position or results of operations of the Company.

Revenue Recognition

Revenue on product sales is recognized at the point in time when persuasive evidence of an arrangement exists, the price is fixed and final, delivery has occurred and there is a reasonable assurance of collection of the sales proceeds. The Company generally obtains oral or written purchase authorizations from its customers for a specified amount of product at a specified price and considers delivery to have occurred at the point of shipment. The Company provides its customers with a limited thirty day right of return only for defective merchandise. Revenue is recognized at shipment and a reserve for sales returns is recorded. The Company has demonstrated the ability to make reasonable and reliable estimates of product returns in accordance with SFAS No. 48 based on significant historical experience.

Inventories--Merchandise

Inventories (all finished goods) consisting of software packages, computer systems and peripheral equipment are stated at cost (determined under the first-in, first-out method) or market, whichever is lower. Provisions are made currently for obsolete, slow moving and nonsalable inventory.

Note 2-Earnings Per Share

Basic earnings per common share is computed using the weighted average number of shares outstanding. Diluted earnings per common share is computed using the weighted average number of shares outstanding adjusted for the incremental shares attributed to options outstanding to purchase common stock.

Note 2-Earnings Per Share - Cont'd.

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended		Six Months Ended	
June 30, (amounts in thousands, except per share data)	2001	2000	2001	2000
Numerator:				
Net income	$ 1,436	$ 8,601	$ 3,869	$ 15,720
Denominator:				
Denominator for basic earnings per share:				
Weighted average shares	24,422	23,926	24,419	23,801
Dilutive effect of unexercised employee stock options:	572	1,630	546	1,505
Denominator for diluted earnings per share	24,994	25,556	24,965	25,306
Earnings per share:				
Basic	$ .06	$ .36	$ .16	$ .66
Diluted	$ .06	$ .34	$ .16	$ .62

The following unexercised stock options were excluded from the computation of diluted earnings per share for the three and six months ended June 30, 2001 and 2000 because the effect of the options on the calculation would have been anti-dilutive:

	Three Months Ended		Six Months Ended	
June 30, (amounts in thousands)	2001	2000	2001	2000
Anti-dilutive stock options	598	--	608	3

Note 3-Reporting Comprehensive Income

The Company has no other comprehensive income in any of the periods presented. Accordingly, a separate statement of comprehensive income is not presented.

Note 4-Segment and Related Disclosures

SFAS No. 131, "Disclosures About Segments of an Enterprise and Related Information," requires that public companies report profits and losses and certain other information on its "reportable operating segments" in its annual and interim financial statements.

Management has determined that the Company has only one "reportable operating segment," given the financial information provided to and used by the "chief decision maker" of the Company to allocate resources and assess the Company's performance. However, senior management does monitor revenue by platform (PC vs. Mac), sales channel (Corporate Outbound, Inbound Telesales and On-Line Internet), and product mix (Notebooks, Desktops and Servers, Storage Devices, Software, Networking Communications, Printers, Video and Monitors, Memory, and Accessories and Other).

Note 4-Segment and Related Disclosures - Cont'd.

Net sales by platform, sales channel and product mix are presented below:

	Three Months Ended		Six Months Ended	
June 30, (amounts in thousands)	2001	2000	2001	2000
Platform				
PC and Multi Platform	$ 265,460	$ 327,197	$ 538,884	$ 620,832
Mac	31,878	38,893	60,229	79,057
Total	$ 297,338	$ 366,090	$ 599,113	$ 699,889
Sales Channel				
Corporate Outbound	$ 234,026	$ 280,841	$ 467,361	$ 521,560
Inbound Telesales	37,234	59,707	77,276	127,640
On-Line Internet	26,078	25,542	54,476	50,689
Total	$ 297,338	$ 366,090	$ 599,113	$ 699,889
Product Mix				
Notebooks	$ 58,846	$ 96,068	$ 129,567	$ 186,983
Desktop/Servers	37,710	53,134	76,539	101,839
Storage Devices	29,175	32,458	59,139	62,153
Software	39,457	40,200	76,475	76,089
Networking Communications	27,613	28,943	54,598	52,896
Printers	26,142	24,523	50,052	49,088
Videos & Monitors	29,200	29,007	53,808	53,934
Memory	9,180	14,517	19,272	26,791
Accessories/Other	40,015	47,240	79,663	90,116
Total	$ 297,338	$ 366,090	$ 599,113	$ 699,889

Substantially, all of the Company's net sales for the three and six months ended June 30, 2001 and 2000 were made to customers located in the United States. Shipments to customers located in foreign countries aggregated less than 2% in those respective quarters. All of the Company's assets at June 30, 2001 and December 31, 2000 were located in the United States. The Company's primary target customers are small- to medium-size businesses ("SMBs") comprised of 20 to 1,000 employees, although its customers also include individual consumers, larger companies, federal, state and local governmental agencies and educational institutions. Except for the federal government, no single customer accounted for more than 3% of total net sales in the three and six months ended June 30, 2001 and 2000. Sales to the federal government accounted for $27.3 million, or 9.2% of total net sales for the quarter ended June 30, 2001 and $29.0 million, or 7.9% of total net sales for the quarter ended June 30, 2000. Sales to the federal government accounted for $51.4 million, or 8.6% of total net sales for the six months ended June 30, 2001 and $53.7 million or 7.7% of total net sales for the six months ended June 30, 2000.

Note 5-Non-recurring Charge

On March 28, 2001, the Company announced the planned reduction of non-sales staff by approximately 125 individuals, or 7.5% of the Company's work force. The Company took a one-time charge of approximately $851,000 in the first quarter to cover costs related to this staff reduction. This is reflected under the caption, "non-recurring charge" on the condensed consolidated statements of income for the six months ended June 30, 2001. This staff reduction was completed in early April 2001.

Note 6-Share Repurchase Authorization

The Company announced on March 28, 2001 that its Board of Directors authorized the spending of up to $15.0 million to repurchase the Company's common stock. Share purchases will be made in the open market from time to time depending on market conditions. No shares had been repurchased as of the end of the quarter ended June 30, 2001.

Note 7-Potential Acquisition

On May 30, 2001, the Company announced that it had entered into a Merger Agreement, dated as of May 29, 2001 (the "Merger Agreement"), with Cyberian Outpost, Inc., an Internet provider of consumer technology and e-business services. Under the terms of the Merger Agreement, the Company would issue to Cyberian Outpost's stockholders shares of the Company's common stock based upon an exchange ratio which will vary with Cyberian Outpost's revenue for the three-month period ending August 2001 and the average closing price of the Company's Common Stock for the ten trading days ending on the four days prior to closing. The boards of directors of both companies had unanimously approved the transaction. The merger is subject to approval of the Cyberian Outpost stockholders and to other closing conditions.

Cyberian Outpost also issued a warrant giving the Company the right to buy from Cyberian Outpost shares of common stock, which represented approximately 19.9% of the shares of Cyberian Outpost common stock outstanding on May 29, 2001 at an exercise price of $0.51 per share. The Company cannot exercise the warrant unless certain triggering events occur. If certain corporate transactions involving Cyberian Outpost occur, the Company may require Cyberian Outpost to repurchase the warrant for a price between $1.0 million and $1.5 million.

In connection with the Merger Agreement, the Company entered into a credit and supply agreement with Cyberian Outpost to provide Cyberian Outpost with working capital loans of up to $3.0 million and an inventory line of up to $5.0 million, each of which is secured by Cyberian Outpost's assets. The transaction was structured as a stock-for-stock, tax-free merger and will be accounted for under the purchase method of accounting if approved.

Note 8 - Recent Accounting Pronouncements

In July 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 141 ("SFAS 141"), "Business Combinations." SFAS 141 requires the purchase method of accounting for business combinations initiated after June 30, 2001 and eliminates the pooling-of-interests method. The Company does not believe that the adoption of SFAS 141 will have a significant impact on its financial statements.

In July 2001, the FASB issued Statement of Financial Accounting Standards No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets", which is effective January 1, 2002. SFAS 142 requires, among other things, the discontinuance of goodwill amortization. In addition, the standard includes provisions for the reclassification of certain existing recognized intangibles as goodwill, reassessment of the useful lives of existing recognized intangibles, reclassification of certain intangibles out of previously reported goodwill and the identification of reporting units for purposes of assessing potential future impairments of goodwill. SFAS 142 also requires the Company to complete a transitional goodwill impairment test six months from the date of adoption. The Company is currently assessing but has not yet determined the impact of SFAS 142 on its financial position and results of operations.

Item 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The following Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements based on management's current expectations, estimates and projections about the Company's industry, management's beliefs and certain assumptions made by management. All statements, trends, analyses and other information contained in this report relative to trends in net sales, gross margin and anticipated expense levels, as well as other statements, including words such as "anticipate," "believe," "plan," "estimate," "expect," and "intend" and other similar expressions, constitute forward-looking statements. These forward-looking statements involve risks and uncertainties, and actual results may differ materially from those anticipated or expressed in such statements. Potential risks and uncertainties include, among others, those set forth in Item 7 under the caption "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 filed with the SEC, which are incorporated by reference herein. Particular attention should be paid to the cautionary statements involving the industry's rapid technological change and exposure to inventory obsolescence, availability and allocation of goods, reliance on vendor support and relationships, competitive risks, pricing risks, and the overall level of economic activity and the level of business investment in information technology products. Except as required by law, the Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise. Readers, however, should carefully review the factors set forth in other reports or documents that the Company files from time to time with the SEC.

General

The Company was founded in 1982 as a mail-order business offering a broad range of software and accessories for IBM and IBM-compatible personal computers ("PCs"). The founders' goal was to provide consumers with superior service and high quality branded products at competitive prices. The Company initially sought customers through advertising in selected computer publications and the use of inbound toll free telemarketing. Currently, the Company seeks to generate sales through (i) outbound telemarketing by account managers focused on the business, education and government markets, (ii) inbound calls from customers responding to the Company's catalogs and other advertising and (iii) the Company's Internet web site.

The Company offers both PC compatible products and Mac compatible products. Reliance on Mac product sales has decreased over the last four years, from 23.0% of net sales for the year ended December 31, 1996 to 10.1% of net sales for the six months ended June 30, 2001. The Company believes that such sales will continue to decrease as a percentage of net sales and may decline in absolute dollar volume in 2001 and future periods.

The weakness in demand for technology products experienced by the Company in the fourth quarter of 2000 and the first quarter of 2001 continued through the second quarter of 2001, resulting in overall conservative buying patterns, order deferrals and longer sales cycles.

Recent Developments

On May 30, 2001, the Company announced that it had entered into a Merger Agreement, dated as of May 29, 2001 (the "Merger Agreement"), with Cyberian Outpost, Inc., an Internet provider of consumer technology and e-business services. Under the terms of the Merger Agreement, the Company would issue to Cyberian Outpost's stockholders shares of the Company's common stock, based upon an exchange ratio which will vary with Cyberian Outpost's revenue for the three-month period ending August 2001 and the average closing price of the Company's Common Stock for the ten trading days ending on the four days prior to closing. The boards of directors of both companies have unanimously approved the transaction. The merger is subject to approval of the Cyberian Outpost stockholders and to other closing conditions.

Cyberian Outpost also issued a warrant giving the Company the right to buy from Cyberian Outpost shares of common stock, which represented approximately 19.9% of the shares of Cyberian Outpost common stock outstanding on May 29, 2001 at an exercise price of $0.51 per share. The Company cannot exercise the warrant unless certain triggering events occur. If certain corporate transactions involving Cyberian Outpost occur, the Company may require Cyberian Outpost to repurchase the warrant for a price between $1.0 million and $1.5 million.

Recent Developments - Cont'd.

In connection with the Merger Agreement, the Company entered into a credit and supply agreement with Cyberian Outpost to provide Cyberian Outpost with working capital loans of up to $3.0 million and an inventory line of up to $5.0 million, each of which is secured by Cyberian Outpost's assets. The transaction was structured as a stock-for-stock, tax-free merger and will be accounted for under the purchase method of accounting, if approved.

Results of Operations

Three Months and Six Months Ended June 30, 2001 Compared with the Three Months and Six Months Ended June 30, 2000

The following table sets forth for the periods indicated information derived from the Company's statements of income expressed as a percentage of net sales.

	Three Months Ended		Six Months Ended	
June 30,	2001	2000	2001	2000
Net sales (in millions)	$ 297.3	$ 366.1	$ 599.1	$ 699.9
Net sales	100.0%	100.0%	100.0%	100.0%
Gross profit	11.0	12.3	11.4	12.2
Selling, general and administrative expenses	10.3	8.4	10.2	8.6
Non-recurring charge	-	-	0.1	-
Income from operations	0.7	3.8	1.0	3.7
Interest expense	(0.1)	(0.1)	(0.1)	(0.1)
Other, net	0.1	-	0.1	0.1
Income before income taxes	0.8	3.8	1.0	3.6
Income taxes	(0.3)	(1.4)	(0.4)	(1.4)
Net income	0.5	2.3	0.6	2.2

Results of Operations - General - Cont'd.

The following table sets forth the Company's percentage of net sales by platform, sales channel, and product mix:

	Three Months Ended		Six Months Ended	
June 30,	2001	2000	2001	2000
Platform				
PC and Multi-Platform	89%	89%	90%	89%
Mac	11	11	10	11
Total	100%	100%	100%	100%
Sales Channel				
Corporate Outbound	79%	77%	78%	75%
Inbound Telesales	12	16	13	18
On-Line Internet	9	7	9	7
Total	100%	100%	100%	100%
Product Mix				
Notebooks	20%	26%	22%	27%
Desktop/Servers	13	14	13	14
Storage Devices	10	9	10	9
Software	13	11	13	11
Networking Communications	9	8	9	7
Printers	9	7	8	7
Videos & Monitors	10	8	9	8
Memory	3	4	3	4
Accessories/Other	13	13	13	13
Total	100%	100%	100%	100%

Net sales decreased $68.8 million, or 18.8%, to $297.3 million for the quarter ended June 30, 2001 from $366.1 million for the comparable period in 2000 due to the weakness in demand for information technology products. Net sales for the six months ended June 30, 2001 decreased $100.8 million, or 14.4%, to $599.1 million from $699.9 million for the comparable period in 2000. Outbound sales decreased $46.8 million, or 16.7%, to $234.0 million in the three months ended June 30, 2001 from $280.8 million in the three months ended June 30, 2000. Outbound sales decreased $54.2 million, or 10.4%, to $467.4 million for the six months ended June 30, 2001 from $521.6 million in the comparable period in 2000. Inbound sales, which primarily serve the Company's consumer and very small business customers, decreased $22.5 million, or 37.7%, to $37.2 million in the quarter ended June 30, 2001 from $59.7 million in the comparable period in 2000; and decreased $50.3 million, or 39.4%, to $77.3 million for the six months ended June 30, 2001 from $127.6 million in the comparable period in 2000. On-line Internet sales increased $0.6 million, or 2.4%, to $26.1 million in the three months ended June 30, 2001 from $25.5 million in the comparable period in 2000 and increased $3.8 million, or 7.5% to $54.5 million for the six months ended June 30, 2001, from $50.7 million in the comparable period in 2000. The Company's sales to consumers and small businesses have been more negatively impacted during the recent spending slow down than have sales to its larger business customers, who generally purchase through either the outbound or Internet channels. All product categories were affected by the recent economic uncertainty, with second quarter 2001 sales of notebooks declining 38.8% to $58.8 million from $96.1 million for the comparable period in 2000. Desktop/server sales declined 29.0% to $37.7 million for the quarter ended June 30, 2001 from $53.1 million for the comparable period in 2000.

Results of Operations - General - Cont'd.

Net sales of enterprise server and networking products decreased 14.4% to $55.3 million for the quarter ended June 30, 2001 from $64.6 million for the comparable period in 2000. Enterprise server and networking products represented 18.6% of overall net sales in the second quarter of 2001, up from 17.6% of net sales for the comparable period in 2000. Management believes that while in the comparative periods sales declined, these product categories will eventually grow substantially as its customers further upgrade their networks and communication infrastructures. Future growth will likely depend also on improvement in general economic conditions.

Average order size decreased $63, or 5.3%, to $1,120 for the quarter ended June 30, 2001 from $1,183 in the second quarter of 2000. However, sequentially, average order size increased 7.7% from $1,040 reported for the quarter ended March 31, 2001.

Gross profit decreased $12.0 million, or 26.7%, to $32.9 million for the quarter ended June 30, 2001 from $44.9 million for the comparable period in 2000. Gross profit for the six months ended June 30, 2001 decreased $17.4 million, or 20.3%, to $68.2 million from $85.6 million for the comparable period in 2000. Gross profit margin as a percentage of net sales decreased to 11.1% in the second quarter of 2001 from 12.3% for the comparable period in 2000. Gross profit margin as a percentage of net sales decreased to 11.4% in the first six months of 2001 from 12.2% for the comparable period in 2000. The gross margin decline resulted primarily from intense competitive pricing and lower overall demand levels during the quarter. The Company's profit margins are also influenced by the relative mix of inbound, outbound, and on-line Internet Sales. Since outbound sales are typically to corporate accounts that purchase at volume discounts, the gross margin on such sales is generally lower than inbound sales. The gross profit dollar contribution per outbound sales order is generally higher as average sizes of orders to corporate accounts are usually larger. The Company expects that its gross margin, as a percentage of sales, may vary by quarter based upon vendor support programs, product mix, pricing strategies, market conditions and other factors.

Selling, general and administrative expenses decreased $0.2 million, or 0.6%, to $30.7 million for the quarter ended June 30, 2001 from $30.9 million for the comparable quarter in 2000. Selling, general and administrative expenses (SG&A) for the six months ended June 30, 2001 increased by $1.2 million, or 2.0%, to $61.1 million from $59.9 million in the six months ended June 30, 2000. The Company expects that its SG&A, as a percentage of net sales, may vary by quarter depending on changes in sales volume, as well as the levels of continuing investments in key growth initiatives.

Non-recurring charge was a one-time charge of $0.9 million, or $0.02 per share, in the first quarter of 2001 related to a staffing reduction.

Income from operations decreased $11.8 million, or 84.3%, to $2.2 million for the quarter ended June 30, 2001, from $14.0 million for the comparable period in 2000. Income from operations as a percentage of sales decreased from 3.8% in the three months ended June 30, 2000 to 0.7% for the comparable period in 2001 for the reasons discussed above. Similarly, income from operations for the six months ended June 30, 2001 decreased $19.5 million, or 75.9%, to $6.2 million from $25.7 million for the comparable period in 2000. Income from operations as a percentage of sales decreased from 3.7% for the six months ended June 30, 2000 to 1.0% for the comparable period in 2001.

Interest expense decreased $0.05 million, or 15.1%, to $0.28 million for the quarter ended June 30, 2001 from $0.33 million, for the comparable quarter in 2000. Similarly, interest expense for the six months ended June 30, 2001, decreased $0.02 million, or 3.0%, to $0.65 million from $0.67 million for the comparable period in 2000. This decrease in interest expense can be attributed to lower average borrowings outstanding in the respective 2001 periods compared to the 2000 periods.

Results of Operations - General - Cont'd.

Other, net, which is essentially comprised of interest income increased $0.23 million, or 135.3% to $0.40 million in the quarter ended June 30, 2001 from $0.17 million, for the comparable period in 2000. Similarly, other, net for the six months ended June 30, 2001 increased $0.31 million, or 83.8%, to $0.68 million from $0.37 million for the comparable period in 2000. This increase was due primarily to higher interest income from investments.

Income taxes for the quarter ended June 30, 2001 were $0.9 million compared to $5.3 million for the comparable quarter in 2000. Income taxes for the six months ended June 30, 2001 were $2.4 million, compared to $9.6 million for the comparable period in 2000. The effective tax rate was 38% for all periods.

Net income for the quarter ended June 30, 2001 decreased $7.2 million, or 83.7%, to $1.4 million from $8.6 million for the comparable quarter in 2000, principally as a result of the decreases in operating income as described above. Net income decreased $11.8 million, or 75.2%, to $3.9 million for the six months ended June 30, 2001 from $15.7 million for the comparable period in 2000.

Liquidity and Capital Resources

The Company has historically financed its operations and capital expenditures through cash flow from operations and bank borrowings. The Company believes that funds generated from operations, together with available credit under its bank line of credit, will be sufficient to finance its working capital and capital expenditure requirements at least through the next twelve months. The Company's ability to continue funding its planned growth is dependent upon its ability to generate sufficient cash flow from operations or to obtain additional funds through equity or debt financing, or from other sources of financing, as may be required.

At June 30, 2001, the Company had cash and cash equivalents of $43.4 million and working capital of $114.8 million. At December 31, 2000, the Company had cash and cash equivalents of $7.4 million and working capital of $111.7 million.

The Company has an unsecured credit agreement with a bank providing for short-term borrowings up to $70.0 million, which bears interest at various rates ranging from the prime rate (6.75% at June 30, 2001) to prime less 1%, depending on the ratio of senior debt to EBITDA (earnings before interest, taxes, depreciation and amortization). The credit agreement includes various customary financial and operating covenants, including restrictions on the payment of dividends, none of which the Company believes significantly restricts its operations. No borrowings were outstanding at June 30, 2001.

Net cash provided by operating activities was $39.5 million for the six months ended June 30, 2001, as compared to $4.3 million provided by operating activities for the comparable period in 2000. The primary factors historically affecting cash flows from operations are the Company's net income and changes in the levels of accounts receivable, inventories and accounts payable. Since accounts receivable and inventories have substantially decreased since December 31, 2000, cash levels have increased commensurately.

Capital expenditures were $4.2 million in the six months ended June 30, 2001 as compared to $5.2 million for the comparable period in 2000. The majority of the capital expenditures for the respective 2001 and 2000 periods relate to computer hardware and software for the Company's information systems. Total capital expenditures for the year ended December 31, 2001 are estimated to be $8.7 million.

Inflation

The Company has historically offset any inflation in operating costs by a combination of increased productivity and price increases, where appropriate. The Company does not expect inflation to have a significant impact on its business in the future.

Item 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company invests cash balances in excess of operating requirements in short-term securities, generally with maturities of 90 days or less. In addition, the Company's unsecured credit agreement provides for borrowings which bear interest at variable rates based on the prime rate. The Company had no borrowings outstanding pursuant to its credit agreement as of June 30, 2001. The Company believes that the effect, if any, of reasonably possible near-term changes in interest rates on the Company's financial position, results of operations and cash flows should not be material.

Item 1 - Legal Proceedings

Not applicable.

Item 2 - Changes in Securities and Use of Proceeds

Not applicable.

Item 3 - Defaults upon Senior Securities

Not applicable.

Item 4 - Submission of Matters to a Vote of Security Holders

At the 2001 Annual Meeting of Stockholders of the Company (the "Annual Meeting") on May 24, 2001, the following matters were acted upon by the stockholders of the Company:

1. the election of five Directors;

2. the approval of the amendment to the Company's Amended and Restated Certificate of Incorporation increasing the number of authorized shares of the Company's Common Stock from 30,000,000 shares to 100,000,000 shares and the number of authorized shares of Preferred Stock from 7,500,000 shares to 10,000,000 shares;

3. the approval of an amendment to the Company's 1997 Stock Incentive Plan to increase the number of shares of common stock available for grant under the Plan by 600,000; and

4. the ratification of the appointment of Deloitte & Touche LLP as the Company's independent auditors for the current fiscal year.

The number of shares of Common Stock issued, outstanding and eligible to vote as of the record date of March 28, 2001 was 24,419,525. The results of the voting on each of the matters presented to stockholders at the Annual Meeting are set forth below:

		VOTES FOR	VOTES AGAINST	VOTES ABSTAINED	UNVOTED
1.	Election of Directors:				
	Patricia Gallup	22,425,049	979,189	N.A.	N.A.
	David Hall	23,373,842	30,356	N.A.	N.A.
	David B. Beffa-Negrini	22,429,859	974,339	N.A.	N.A.
	Martin C. Murrer	23,378,392	25,806	N.A.	N.A.
	Peter J. Baxter	23,377,558	26,648	N.A.	N.A.
2.	Amendment to the Company's Amended and Restated Certificate of Incorporation	18,245,992	2,907,354	10,210	2,240,042
3.	Amendment to 1997 Stock Incentive Plan	20,543,487	2,847,545	13,166	N.A.
4.	Ratification of the Appointment of Auditors	23,349,330	49,910	4,958	N.A.

Item 5 - Other Information

Not applicable.

Item 6 - Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit Number	Description
10.46	Amendment, dated December 27, 2000 to the Amended and Restated Credit Agreement, dated February 25, 2000, between PC Connection, Inc., the Lender's Party hereto and Citizens Bank of Massachusetts.
10.47	Amendment, dated May 4, 2001 to the Amended and Restated Credit Agreement, dated December 27, 2000, between PC Connection, Inc., the Lender's Party hereto and Citizens Bank of Massachusetts.
10.48	Amendments, dated June 19, 2001 to the Assignment of Lease Agreements dated as of December 13, 1999, between Micro Warehouse Inc. (assignor) and the Registrant (assignee).
15	Letter on unaudited interim financial information.

(b) Reports on Form 8-K

(i) The Company filed a current report on Form 8-K on June 5, 2001 for the Merger Agreement by and between PC Connection, Inc. and Cyberian Outpost, dated as of May 29, 2001.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PC CONNECTION, INC. AND SUBSIDIARIES

August 14, 2001 By: /s/ Wayne L. Wilson

Wayne L. Wilson
President and Chief Operating Officer

August 14, 2001 By: /s/ Mark A. Gavin

Mark A. Gavin
Senior Vice President of Finance and
Chief Financial Officer

Exhibit 10.46

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FIRST AMENDMENT TO
AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of December 27, 2000

Among

PC CONNECTION, INC.,
the Borrower

and

CITIZENS BANK OF MASSACHUSETTS,
as Agent

and

THE BANKS PARTIES HERETO

==

FIRST AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

This FIRST AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (the "First Amendment") is entered into as of December 27, 200O by and among PC CONNECTION, INC., a Delaware corporation (the "Borrower"), CITIZENS BANK OF NEW HAMPSHIRE, CITIZENS BANK OF MASSACHUSETTS and FLEET NATIONAL BANK (successor by merger to Fleet Bank - NH) (together, the "Lenders"), and CITIZENS BANK OF MASSACHUSETTS as Agent (the "Agent").

Recitals

The Borrower, the Lenders and the Agent are parties to an Amended and Restated Credit Agreement dated as of February 25, 2000, as amended (the "Credit Agreement"). The Borrower, the Lenders and the Agent desire to amend the Credit Agreement as set forth below. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement.

NOW, THEREFORE, subject to the satisfaction of the conditions to effectiveness specified in Article 3, the Borrower, the Lenders and the Agent hereby amend the Credit Agreement as follows:

Section 1. Definitions. Section 1.1 of the Credit Agreement is hereby amended as follows.

(a) The definition of "Maximum Credit Amount" is hereby deleted in its entirety and replaced as follows:

"Maximum Credit Amount" shall mean $70,000,000; provided that if the obligations of the Lenders to make further Advances is terminated upon the occurrence of a Default, the Maximum Credit Amount as of any date of determination thereafter shall be deemed to be $0.

Section 2. Commitment Percentages. Schedule 1 of the Credit Agreement is hereby deleted in its entirety and replaced with Schedule 1 attached hereto.

Section 3. Notes. The Borrower shall execute and deliver to Agent new promissory notes in the form of Exhibit A-l, A-2 and A-3 hereof (the "New Notes"), amending, restating and replacing the Notes previously issued in connection with the Credit Agreement.

Section 4. Effectiveness; Conditions to Effectiveness. This First Amendment shall become effective upon execution hereof by the Borrower and the Lenders and satisfaction of the following conditions:

(a) Copies of Resolutions of the Board of Directors of the Borrower authorizing the execution, delivery and performance (i) of the Borrower under this First Amendment and the New Notes and (ii) the Guarantors under the Guaranty Confirmation certified by a Secretary or an Assistant Secretary of the Borrower or one of the subsidiaries, respectively, which certificate shall state that the resolutions are in full force and effect.

(b) Certificate of the Secretary or Assistant Secretary of the Borrower certifying the name and signatures of the officers of the Borrower authorized to sign this First Amendment and other documents to be delivered in connection therewith, as well as certifying and delivering certified articles of incorporation and bylaws.

(c) Certificate of the Secretary or Assistant Secretary of each of the Guarantors certifying the name and signatures of the officers of the respective Guarantor authorized to sign the Guaranty Confirmation as well as certifying and delivering certified articles of incorporation and by-laws.

(d) Certificates of legal existence and corporate good standing and certificates of foreign qualification for the Borrower of recent date issued by the appropriate governmental authorities.

(e) Delivery to the Agent of this First Amendment and the New Notes.

(f) Delivery to the Agent of the Guaranty Confirmation executed by the Guarantors.

(g) Opinion of Borrower's counsel in form and substance satisfactory to the Agent.

(h) Compliance and Bring Down Certificate regarding representations, warranties and covenants.

(i) Payment to Agent of a Commitment Fee of $20,000.

(j) Delivery to the Agent such other documents as the Agent shall reasonably require, including without limitation, a so-called 399-B Certificate.

Section 5. Miscellaneous.

(a) The Borrower agrees that each of the Loan Documents shall remain in full force and effect after giving effect to this First Amendment. The guarantees of the Borrower's Subsidiaries guarantee all of the Lender Obligations as may be amended by this First Amendment.

(b) This First Amendment represents the entire agreement among the parties hereto relating to this First Amendment, and supersedes all prior understandings and agreements among the parties relating to the subject matter of this First Amendment.

(c) The Borrower agrees to pay on demand all of the Agent's reasonable expenses in preparing, executing and delivering this First Amendment, and all related instruments and documents, including, without limitation, the reasonable fees and out-of-pocket expenses of the Agent's special counsel.

(d) The Borrower hereby confirms to the Agent that the representations and warranties of the Borrower set forth in Article 5 of the Credit Agreement (as amended and supplemented hereby) are true and correct as of the date hereof, as if set forth herein in full.

(e) The Borrower has reviewed the provisions of this First Amendment and all documents executed in connection therewith or pursuant thereto or incident or collateral hereto or thereto from time to time and there is no Event of Default thereunder, and no condition which, with the passage of time or giving of notice or both, would constitute an Event of Default thereunder.

(f) The Borrower represents and warrants that the execution, delivery or performance by the Borrower of any of the obligations contained in this First Amendment or in any Loan Document do not require the consent, approval or authorization of any person or governmental authority or any action by or on account of with respect to any person or governmental authority.

(g) This First Amendment shall be a Loan Document and shall be governed by and construed and enforced under the laws of The Commonwealth of Massachusetts without regard to principles relating to choice of law.

(h) The parties to this First Amendment agree that the definition of Guarantors shall include COMTEQ FEDERAL OF NEW HAMPSHIRE INC., a direct wholly-owned subsidiary of Comteq.

[END OF TEXT]

IN WITNESS WHEREOF, the Borrower and the Lenders have caused this First Amendment to Amended and Restated Credit Agreement to be executed by their duly authorized officers as of the date first set forth above.

PC CONNECTION, INC.

By: ________________________________
Name:
Title:

CITIZENS BANK OF MASSACHUSETTS, as Agent

By: ________________________________
Name:
Title:

CITIZENS BANK OF MASSACHUSETTS, as Lender

By: ________________________________
Name:
Title:

100 Summer Street
13th Floor
Boston, MA 02110
Telecopier No:
Attention:

FLEET NATIONAL BANK (Successor by Merger to
Fleet Bank - NH)

By: ________________________________
Name:
Title:

1155 Elm Street
Manchester, NH 03101
Telecopier No:
Attention:

CITIZENS BANK OF NEW HAMPSHIRE

By: ________________________________
Name:
Title:

875 Elm Street
Manchester, NH 03101
Telecopier No:
Attention:

SCHEDULE 1

Commitment Percentages

Lender	Commitment Percentage	Commitment Amount
Citizens Bank of Massachusetts	42.86%	$ 30,000,000
Citizens Bank of New Hampshire	14.28%	$ 10,000,000
Fleet National Bank	42.86%	$ 30,000,000
TOTALS	100.00%	$ 70,000,000

EXHIBIT A-l

FORM OF REVOLVING CREDIT NOTE

$ 30,000,000 December 27, 2000
Boston, Massachusetts

FOR VALUE RECEIVED, the undersigned, PC CONNECTION, INC., a Delaware corporation (the "Borrower"), HEREBY PROMISES TO PAY to the order of CITIZENS BANK OF MASSACHUSETTS (the "Lender") the principal sum of THIRTY MILLION DOLLARS ($30,000,000) (or, if less, the aggregate unpaid principal amount of all Advances made by the Lender to the Borrower pursuant to the Credit Agreement as hereinafter defined), together with interest on the unpaid principal from time to time outstanding at the rate or rates and computed and payable at the times as described in the Credit Agreement. The entire balance of outstanding principal and accrued and unpaid interest shall be paid in full on the Credit Termination Date (as defined in the Credit Agreement).

This note represents indebtedness for one or more Advances made by the Lender to the Borrower under the Amended and Restated Credit Agreement dated as of February 25,200O as amended by the First Amendment thereto dated December 27, 2000 (as the same may be amended, modified or supplemented from time to time, the "Credit Agreement") by and among the Borrower, the Lenders from time to time parties thereto, and Citizens Bank of Massachusetts, as Agent for the Lenders (the "Agent"). Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Credit Agreement.

The Borrower shall have the right, at any time, to voluntarily prepay all or any part of the outstanding principal amount of this note subject to the provisions of the Credit Agreement.

In addition to the payment of interest as provided above, the Borrower shall, on demand, pay interest on any overdue installments of principal and, to the extent permitted by applicable law, on overdue installments of interest at the rate set forth in the Credit Agreement.

If any payment of principal or interest due hereunder is not made within ten (10) days of its due date, the Borrower will pay to the Agent for the account of the Lender, on demand, a late payment charge equal to the amount set forth in the Credit Agreement.

The holder of this note is entitled to all the benefits and rights of a Lender under the Credit Agreement to which reference is hereby made for a statement of the terms and conditions under which the entire unpaid balance of this note, or any portion hereof, shall become immediately due and payable. Any capitalized term used in this note which is not otherwise expressly defined herein shall have the meaning ascribed thereto in the Credit Agreement.

The Borrower hereby waives presentment, demand, notice, protest and other demands and notices in connection with the delivery, acceptance or enforcement of this note.

No delay or omission on the part of the holder of this note in exercising any right hereunder shall operate as a waiver of such right or of any other right under this note, and a waiver, delay or omission on any one occasion shall not be construed as a bar to or waiver of any such right on any future occasion.

The Borrower hereby agrees to pay on demand all reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and legal expenses, incurred or paid by the holder of this note in enforcing this note on default.

THE LENDER AND THE BORROWER AGREE THAT NEITHER OF THEM NOR ANY OF THEIR ASSIGNEES OR SUCCESSORS SHALL (A) SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER ACTION BASED UPON OR ARISING OUT OF, THIS NOTE, THE CREDIT AGREEMENT, ANY LENDER AGREEMENT, ANY DOCUMENT, INSTRUMENT OR AGREEMENT EXECUTED IN CONNECTION WITH ANY OF THE FOREGOING, ANY COLLATERAL SECURING ALL OR ANY PART OF THE LENDER OBLIGATIONS OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG ANY OF THEM, OR (B) SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY DISCUSSED BY EACH OF THE LENDER AND THE BORROWER WITH THEIR RESPECTIVE COUNSEL, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NEITHER THE LENDER NOR THE BORROWER HAS AGREED WITH OR REPRESENTED TO THE OTHER THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

This note shall be deemed to be under seal, and all rights and obligations hereunder shall be governed by the laws of The Commonwealth of Massachusetts (without giving effect to any conflicts of law provisions contained therein).

This Note amends, restates and replaces the $25,000,000 promissory note dated February 25, 2000 issued to the Lender by the undersigned.

PC CONNECTION, INC.

By: /s/ Mark A. Gavin

Name: Mark A. Gavin
Title: Chief Financial Officer

EXHIBIT A-2

REVOLVING CREDIT NOTE

$ 30,000,000 December 27, 2000
Boston, Massachusetts

FOR VALUE RECEIVED, the undersigned, PC CONNECTION, INC., a Delaware corporation (the "Borrower"), HEREBY PROMISES TO PAY to the order of FLEET NATIONAL BANK (the "Lender") the principal sum of THIRTY MILLION DOLLARS ($ 30,000,OOO) (or, if less, the aggregate unpaid principal amount of all Advances made by the Lender to the Borrower pursuant to the Credit Agreement as hereinafter defined), together with interest on the unpaid principal from time to time outstanding at the rate or rates and computed and payable at the times as described in the Credit Agreement. The entire balance of outstanding principal and accrued and unpaid interest shall be paid in full on the Credit Termination Date (as defined in the Credit Agreement).

This note represents indebtedness for one or more Advances made by the Lender to the Borrower under the Amended and Restated Credit Agreement dated as of February 25,200O as amended by the First Amendment thereto dated December 27, 2000 (as the same may be amended, modified or supplemented from time to time, the "Credit Agreement") by and among the Borrower, the Lenders from time to time parties thereto, and Citizens Bank of Massachusetts, as Agent for the Lenders (the "Agent"). Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Credit Agreement.

The Borrower shall have the right, at any time, to voluntarily prepay all or any part of the outstanding principal amount of this note subject to the provisions of the Credit Agreement.

In addition to the payment of interest as provided above, the Borrower shall, on demand, pay interest on any overdue installments of principal and, to the extent permitted by applicable law, on overdue installments of interest at the rate set forth in the Credit Agreement.

If any payment of principal or interest due hereunder is not made within ten (10) days of its due date, the Borrower will pay to the Agent for the account of the Lender, on demand, a late payment charge equal to the amount set forth in the Credit Agreement.

The holder of this note is entitled to all the benefits and rights of a Lender under the Credit Agreement to which reference is hereby made for a statement of the terms and conditions under which the entire unpaid balance of this note, or any portion hereof, shall become immediately due and payable. Any capitalized term used in this note which is not otherwise expressly defined herein shall have the meaning ascribed thereto in the Credit Agreement.

The Borrower hereby waives presentment, demand, notice, protest and other demands and notices in connection with the delivery, acceptance or enforcement of this note.

No delay or omission on the part of the holder of this note in exercising any right hereunder shall operate as a waiver of such right or of any other right under this note, and a waiver, delay or omission on any one occasion shall not be construed as a bar to or waiver of any such right on any future occasion.

The Borrower hereby agrees to pay on demand all reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and legal expenses, incurred or paid by the holder of this note in enforcing this note on default.

THE LENDER AND THE BORROWER AGREE THAT NEITHER OF THEM NOR ANY OF THEIR ASSIGNEES OR SUCCESSORS SHALL (A) SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER ACTION BASED UPON OR ARISING OUT OF, THIS NOTE, THE CREDIT AGREEMENT, ANY LENDER AGREEMENT, ANY DOCUMENT, INSTRUMENT OR AGREEMENT EXECUTED IN CONNECTION WITH ANY OF THE FOREGOING, ANY COLLATERAL SECURING ALL OR ANY PART OF THE LENDER OBLIGATIONS OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG ANY OF THEM, OR (B) SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY DISCUSSED BY EACH OF THE LENDER AND THE BORROWER WITH THEIR RESPECTIVE COUNSEL, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NEITHER THE LENDER NOR THE BORROWER HAS AGREED WITH OR REPRESENTED TO THE OTHER THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

This note shall be deemed to be under seal, and all rights and obligations hereunder shall be governed by the laws of The Commonwealth of Massachusetts (without giving effect to any conflicts of law provisions contained therein).

This Note amends, restates and replaces the $15,000,000 promissory note dated February 25, 2000 issued to the Lender, as successor by merger to FLEET - NH, by the undersigned.

PC CONNECTION, INC.

By: /s/ Mark A. Gavin

Name: Mark A. Gavin
Title: Chief Financial Officer

EXHIBIT A-3

REVOLVING CREDIT NOTE

$ 10,000,000 December 27, 2000
Boston, Massachusetts

FOR VALUE RECEIVED, the undersigned, PC CONNECTION, INC., a Delaware corporation (the "Borrower"), HEREBY PROMISES TO PAY to the order of CITIZENS BANK OF NEW HAMPSHIRE (the "Lender") the principal sum of TEN MILLION DOLLARS ($ 10,000,000) (or, if less, the aggregate unpaid principal amount of all Advances made by the Lender to the Borrower pursuant to the Credit Agreement as hereinafter defined), together with interest on the unpaid principal from time to time outstanding at the rate or rates and computed and payable at the times as described in the Credit Agreement. The entire balance of outstanding principal and accrued and unpaid interest shall be paid in full on the Credit Termination Date (as defined in the Credit Agreement).

This note represents indebtedness for one or more Advances made by the Lender to the Borrower under the Amended and Restated Credit Agreement dated as of February 25,200O as amended by the First Amendment thereto dated December 27, 2000 (as the same may be amended, modified or supplemented from time to time, the "Credit Agreement") by and among the Borrower, the Lenders from time to time parties thereto, and Citizens Bank of Massachusetts, as Agent for the Lenders (the "Agent"). Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Credit Agreement.

The Borrower shall have the right, at any time, to voluntarily prepay all or any part of the outstanding principal amount of this note subject to the provisions of the Credit Agreement.

In addition to the payment of interest as provided above, the Borrower shall, on demand, pay interest on any overdue installments of principal and, to the extent permitted by applicable law, on overdue installments of interest at the rate set forth in the Credit Agreement.

If any payment of principal or interest due hereunder is not made within ten (10) days of its due date, the Borrower will pay to the Agent for the account of the Lender, on demand, a late payment charge equal to the amount set forth in the Credit Agreement.

The holder of this note is entitled to all the benefits and rights of a Lender under the Credit Agreement to which reference is hereby made for a statement of the terms and conditions under which the entire unpaid balance of this note, or any portion hereof, shall become immediately due and payable. Any capitalized term used in this note which is not otherwise expressly defined herein shall have the meaning ascribed thereto in the Credit Agreement.

The Borrower hereby waives presentment, demand, notice, protest and other demands and notices in connection with the delivery, acceptance or enforcement of this note.

No delay or omission on the part of the holder of this note in exercising any right hereunder shall operate as a waiver of such right or of any other right under this note, and a waiver, delay or omission on any one occasion shall not be construed as a bar to or waiver of any such right on any future occasion.

The Borrower hereby agrees to pay on demand all reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and legal expenses, incurred or paid by the holder of this note in enforcing this note on default.

THE LENDER AND THE BORROWER AGREE THAT NEITHER OF THEM NOR ANY OF THEIR ASSIGNEES OR SUCCESSORS SHALL (A) SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER ACTION BASED UPON OR ARISING OUT OF, THIS NOTE, THE CREDIT AGREEMENT, ANY LENDER AGREEMENT, ANY DOCUMENT, INSTRUMENT OR AGREEMENT EXECUTED IN CONNECTION WITH ANY OF THE FOREGOING, ANY COLLATERAL SECURING ALL OR ANY PART OF THE LENDER OBLIGATIONS OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG ANY OF THEM, OR (B) SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY DISCUSSED BY EACH OF THE LENDER AND THE BORROWER WITH THEIR RESPECTIVE COUNSEL, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NEITHER THE LENDER NOR THE BORROWER HAS AGREED WITH OR REPRESENTED TO THE OTHER THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

This note shall be deemed to be under seal, and all rights and obligations hereunder shall be governed by the laws of The Commonwealth of Massachusetts (without giving effect to any conflicts of law provisions contained therein).

This Note amends, restates and replaces the $10,000,000 promissory note dated February 25, 2000 issued to the Lender by the undersigned.

PC CONNECTION, INC.

By: /s/ Mark A. Gavin

Name: Mark A. Gavin
Title: Chief Financial Officer

Exhibit 10.47

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SECOND AMENDMENT TO
AMENDED AND RESTATED LOAN AGREEMENT

Dated as of May 4, 200l

Among

PC CONNECTION, INC.,
the Borrower

and

CITIZENS BANK OF MASSACHUSETTS,
as Agent

and

THE BANKS PARTIES HERETO

==

SECOND AMENDMENT TO AMENDED AND RESTATED LOAN AGREEMENT

This SECOND AMENDMENT TO AMENDED AND RESTATED LOAN AGREEMENT is entered into as of May 4, 2001 by and among PC CONNECTION, INC., a Delaware corporation (the "Borrower"), CITIZENS BANK OF MASSACHUSETTS, CITIZENS BANK NEW HAMPSHIRE, and FLEET NATIONAL BANK (successor by merger to Fleet Bank - NH) (together, the "Banks") and CITIZENS BANK OF MASSACHUSETTS as Agent (the "Agent").

Recitals

The Borrower, the Banks and the Agent are parties to an Amended and Restated Loan Agreement dated as of February 25, 2000, as amended (the "Loan Agreement"). The Borrower, the Bank and the Agent desire to amend the Loan Agreement as set forth below. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Loan Agreement.

NOW, THEREFORE, subject to the satisfaction of the conditions to effectiveness specified in Article 3, the Borrower, the Banks and the Agent hereby amend the Loan Agreement as follows:

Section 1. Definitions. Add the following definition to Section 1 of the Loan Agreement:

"Permitted Guaranties" shall have the meaning set forth in Section 9.5 hereof.

Section 2. Guaranties. Section 9.5 of the Loan Agreement is hereby deleted in its entirety and replaced as follows:

> Section 9.5. Assumptions, Guaranties, Etc. of Indebtedness of Other Persons. Assume, guarantee, endorse or otherwise be or become directly or contingently liable (including, without limitation, by way of agreement, contingent or otherwise, to purchase, provide funds for payment, supply funds to or otherwise invest in any Person or otherwise assure the creditors of any such Person against loss) in connection with any Indebtedness of any other Person, except Guaranties (the "Permitted Guaranties") (i) by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business, (ii) to IBM or DFS in connection with Indebtedness permitted under 9.1 l(g), (iii) provided for indebtedness of PC Connection Sales Corporation and Merrimack Services Corporation as provided for in a Guaranty or Guaranties to Dun & Bradstreet, Inc., substantially in the form of Exhibit J hereto, and (iv) to individual suppliers of PC Connection Sales Corporation and Merrimack Services Corporation, as requested from time to time in lieu of the blanket Guaranty in (iii), on their respective obligations to such individual suppliers, the guaranteed obligations in (iv) not to exceed guaranteed obligations in the amount of $100,000,000. Borrower must notify Agent (with copy to Agent's counsel) in writing immediately after entering into any Permitted Guaranties.

Section 3. Miscellaneous.

(a) The Borrower agrees that each of the Loan Documents shall remain in full force and effect after giving effect to this Second Amendment.

(b) This Second Amendment represents the entire agreement among the parties hereto relating to this Second Amendment, and supersedes all prior understandings and agreements among the parties relating to the subject matter of this Second Amendment.

(c) The Borrower agrees to pay on demand all of the Agent's reasonable expenses in preparing, executing and delivering this Second Amendment, and all related instruments and documents, including, without limitation, the reasonable fees and out-of-pocket expenses of the Agent's special counsel.

(d) The Borrower hereby confirms to the Agent that the representations and warranties of the Borrower set forth in Article 5 of the Loan Agreement (as amended and supplemented hereby) are true and correct as of the date hereof, as if set forth herein in full.

(e) The Borrower has reviewed the provisions of this Second Amendment and all documents executed in connection therewith or pursuant thereto or incident or collateral hereto or thereto from time to time and there is no Event of Default thereunder, and no condition which, with the passage of time or giving of notice or both, would constitute an Event of Default thereunder.

(f) The Borrower represents and warrants that the execution, delivery or performance by the Borrower of any of the obligations contained in this Second Amendment or in any Loan Document do not require the consent, approval or authorization of any person or governmental authority or any action by or on account of with respect to any person or governmental authority.

(g) This Second Amendment shall be a Loan Document and shall be governed by and construed and enforced under the laws of The Commonwealth of Massachusetts without regard to principles relating to choice of law.

[END OF TEXT]

IN WITNESS WHEREOF, the Borrower and the Banks have caused this Second Amendment to Amended and Restated Loan Agreement to be executed by their duly authorized officers as of the date first set forth above.

PC CONNECTION,INC.

By: ____
Name:
Title:

CITIZENS BANK OF MASSACHUSETTS, as Agent

By: ____
Name:
Title:

CITIZENS BANK OF MASSACHUSETTS, as Lender

By: ____
Name:
Title:

100 Summer Street
13th Floor
Boston, MA 02110
Telecopier No:
Attention:

CITIZENS BANK NEW HAMPSHIRE

By: ____
Name:
Title:

875 Elm Street
Manchester, NH 03101
Telecopier No:
Attention:

FLEET NATIONAL BANK (as successor by merger to Fleet Bank - NH)

By: ______________________________________
Name:
Title:

1155 Elm Street
Manchester, NH 03101
Telecopier No:
Attention:

Exhibit 10.48

AMENDMENT NO. 1 TO LEASE

THIS AGREEMENT made this 19 day of June, 2001, by and between EWE WAREHOUSE INVESTMENTS V, LTD. successor to MILLER-VALENTINE PARTNERS, as Lessor and MERRIMACK SERVICES CORPORATION dba PC CONNECTION SERVICES, successor to PC CONNECTIONS, INC. successor by assignment to MICRO WAREHOUSE, INC., as Lessee located at 2907-2931 Old State Route 73, Wilmington, Ohio 45177.

W I T N E S S E T H:

WHEREAS, Lessor and Lessee entered into a Lease dated May 13, 1993, as assigned December 13, 1999, and

WHEREAS, the Lessor and Lessee desire to amend the Lease of approximately 32,000 square feet to add an Option to Renew.

NOW THEREFORE, the Lease is amended as follows.

1. OPTION TO RENEW. shall be added as follows. Lessee is hereby granted an option to renew this Lease for an additional term of two (2) years effective October 1, 2003 on the same terms and conditions contained herein except for the rental and the length of the term, upon the conditions that:

a. written notice of the exercise of such option shall be given by Lessee to Lessor not less than one hundred eighty (180) days prior to the end of the term of this Lease; and

b. at the time of the giving of such notice and at the expiration of the term of this Lease, there are no defaults in the covenants, agreements, terms and conditions on the part of Lessee to be kept and performed, and all rents are and have been fully paid. Provided also, that the rent to be paid during each year of the said renewal period shall be as determined in accordance with the following procedure:

(1) The index to be used for this adjustment shall be the Consumer Price Index (North Central Region, All Urban Consumers, All Items, 1982-1984 equaling a base of 100, from the U. S. Department of Labor, Bureau of Labor Statistics, Washington, D. C.).

(2) The Consumer Price Index of 1993 for the month of June shall be the "Base Period Consumer Price Index".

(3) The Consumer Price Index for the month of June each succeeding year shall be determined from the published figures and shall be the "Adjustment Period Consumer Price Index".

(4) The Base Period Consumer Price Index shall be subtracted from the Adjustment Period Consumer Price Index; the difference shall be divided by the Base Period Consumer Price Index. This quotient shall then be multiplied by $129,279.96 and the result shall then be added to $129,279.96. This arithmetical sum shall then be the adjusted Basic Annual Rent for such immediately succeeding leasehold year which shall be paid in equal monthly payments. Notwithstanding the Index, the annual percentage increase shall not be less than three percent (3%). All calculations of said procedure shall be provided to the Lessee in their entirety directly from EWE Warehouse Investments V, Ltd., the Lessor.

(5) If the said Consumer Price Index is, at any time during the term of this Lease, discontinued by the Government, then the most nearly comparable index shall be substituted for the purpose of the aforesaid calculations.

2. Except as expressly amended herein, all other terms and conditions of the Lease remain in full force and effect.

IN WITNESS WHEREOF, the Lessor and Lessee have affixed their signatures to duplicates of this Amendment, this 15 day of June, 2001, as to Lessee and this 19 day of June, 2001, as to Lessor.

Signed and acknowledged in the presence of:

LESSOR: EWE WAREHOUSE INVESTMENTS V, LTD.
BY MILLER-VALENTINE REALTY, INC.
ITS MANAGING AGENT

/s/ Barbara J. Gilmore
\-------------------------

/s/ Nicholas Atkins
\-------------------------

/s/ Robert A. Gallinis
\------------------------------
By: Robert A. Gallinis
Its: President

LESSEE: MERRIMACK SERVICES CORPORATION

/s/ Robert Pratt
\-------------------------

/s/ Barbara Jaus
\-------------------------

By: /s/ Wayne Wilson
\------------------------------
Title: President
\------------------------------

STATE OF OHIO, COUNTY OF MONTGOMERY, SS:

The foregoing instrument was acknowledged before me this 19 day of June, 2001, by Robert A. Gallinis, President Of Miller-Valentine Realty, Inc., Managing agent for EWE INVESTMENTS V, LTD.

/s/ Rita A. Hughes
\------------------------------
Notary Public

RITA A. HUGHES, Notary Public
In and for the State of Ohio
My Commission Expires May 4, 2006

STATE OF New Hampshire COUNTY OF Hillsborough, SS:

The foregoing instrument was acknlwledged before me this 15 day of June, 2001, by Wayne L. Wilson, the President of MERRIMACK SERVICES CORPORATION, a corporation on behalf of said corporation.

/s/ Dolores R. Collins
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NOTARY PUBLIC

[SEAL]

Revised by Legal Dept. 5/3/01

REVISED AMENDMENT NO. 3 TO LEASE

THIS AGREEMENT made this 19 day of June, 2001, by and between EWE WAREHOUSE INVESTMENTS V, LTD. successor to MILLER-VALENTINE PARTNERS, as Lessor and MERRIMACK SERVICES CORPORATION dba PC CONNECTION SERVICES, successor to PC CONNECTIONS, INC. successor by assignment to MICRO WAREHOUSE, INC., as Lessee located at 2841-2901 Old State Route 73, Wilmington, Ohio 45177.

W I T N E S S E T H:

WHEREAS, Lessor and Lessee entered into a Lease dated August 12, 1991, as amended May 1, 1992 and October 18, 1992 and as assigned December 13, 1999, and

WHEREAS, the Lessor and Lessee desire to amend the Lease of approximately 70,400 square feet to extend the term and revise the rent.

NOW THEREFORE, the Lease is amended as follows.

1. Article 1. TERM. shall be revised as follows. Effective October 1, 2001, the term of this Lease shall be extended for an additional two (2) years for a total term of twelve (12) years, commencing October 1, 1991 and ending September 30, 2003, both dates inclusive.

2. Lessee warrants that Lessee has accepted and is now in possession of the Premises and that the Lease is valid and presently in full force and effect. Lessee accepts the Premises in its present "as is" condition.

3. Article 4. RENT. shall be revised as follows. For the period commencing October 1, 2001 and ending September 30, 2002, the Lessee shall pay to the Lessor as Annual Rent for the Leased Premises the sum of THREE HUNDRED FIFTY FIVE THOUSAND FIVE HUNDRED TWENTY AND 04/100 DOLLARS ($355,520.04) which shall be paid in equal monthly installments of TWENTY NINE THOUSAND SIX HUNDRED TWENTY SIX AND 67/100 DOLLARS ($29,626.67), due and payable on the first day of each month, in advance, without demand.

Checks should be made payable to EWE Warehouse Investments V, Ltd. and sent c/o Miller-Valentine Realty, Inc., Post Office Box 744, Dayton, Ohio 45401-0744, ATTN: ACCOUNTS RECEIVABLE.

The Basic Annual Rent of $355,520.04 shall be adjusted annually based on any increases in the Consumer Price Index beginning October 1, 2002 and at the end of each year thereafter, whether during the term of this Lease or any renewal or extension thereof. Increases in the Annual Rent shall be made in accordance with the following procedure:

a. The index to be used for this adjustment shall be the Consumer Price Index (NORTH CENTRAL REGION, All Urban Consumers, All Items, 1982-1984 equaling a base of 100, from the U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C.).

b. The Consumer Price Index of 2001 for the month of June shall be the "Base Period Consumer Price Index". The Consumer Price Index for the month of June in each adjustment year shall be the "Adjustment Period Consumer Price Index".

c. The Base Period Consumer Price Index shall be subtracted from the Adjustment Period Consumer Price Index; the difference shall be divided by the Base Period Consumer Price Index. This quotient shall then be multiplied by the Basic Annual Rent, and the result shall then be added to the Basic Annual Rent. The resulting sum shall be the adjusted Annual Rent for such immediately succeeding leasehold period which shall be paid in equal monthly installments. Notwithstanding the Index, the annual percentage increase shall not be less than three percent (3%). All calculations of said procedure shall be provided to the Lessee in their entirety directly from EWE Warehouse Investments V, Ltd., the Lessor.

d. If the said Consumer Price Index is, at any time during the term of this Lease, discontinued by the Government, then the most nearly comparable index shall be substituted for the purpose of the aforesaid calculations.

4. OPTION TO RENEW. shall be added as follows. Lessee is hereby granted an option to renew this Lease for an additional term of two (2) years on the same terms and conditions contained herein except for the rental and the length of the term, upon the conditions that:

a. written notice of the exercise of such option shall be given by Lessee to Lessor not less than one hundred eighty (180) days prior to the end of the term of this Lease; and

b. at the time of the giving of such notice and at the expiration of the term of this Lease, there are no defaults in the covenants, agreements, terms and conditions on the part of Lessee to be kept and performed, and all rents are and have been fully paid. Provided also, that the rent to be paid during each year of the said renewal period shall be as determined in accordance with the following procedure:

(1) The index to be used for this adjustment shall be the Consumer Price Index (North Central Region, All Urban Consumers, All Items, 1982-1984 equaling a base of 100, from the U. S. Department of Labor, Bureau of Labor Statistics, Washington, D. C.).

(2) The Consumer Price Index of 2001 for the month of June shall be the "Base Period Consumer Price Index".

(3) The Consumer Price Index for the month of June each succeeding year shall be determined from the published figures and shall be the "Adjustment Period Consumer Price Index".

(4) The Base Period Consumer Price Index shall be subtracted from the Adjustment Period Consumer Price Index; the difference shall be divided by the Base Period Consumer Price Index. This quotient shall then be multiplied by $355,520.04 and the result shall then be added to $355,520.04. This arithmetical sum shall then be the adjusted Basic Annual Rent for such immediately succeeding leasehold year which shall be paid in equal monthly payments. Notwithstanding the Index, the annual percentage increase shall not be less than three percent (3%). All calculations of said procedure shall be provided to the Lessee in their entirety directly from EWE Warehouse Investments V, Ltd., the Lessor.

(5) If the said Consumer Price Index is, at any time during the term of this Lease, discontinued by the Government, then the most nearly comparable index shall be substituted for the purpose of the aforesaid calculations.

5. Except as expressly amended herein, all other terms and conditions of the Lease remain in full force and effect.

IN WITNESS WHEREOF, the Lessor and Lessee have affixed their signatures to duplicates of this Amendment, this 15 day of June, 2001, as to Lessee and this 19 day of June, 2001 as to Lessor.

Signed and acknowledged in the presence of:	LESSOR:	EWE WAREHOUSE INVESTMENTS V, LTD. BY MILLER-VALENTINE REALTY, INC. ITS MANAGING AGENT
/s/ Barbara J. Gilmore	By:	/s/ Robert A. Gallinis
/s/ Nicholas Atkins		Robert A. Gallinis
	Title:	President
	LESSEE:	MERRIMACK SERVICES CORPORATION
/s/ Robert Pratt	By:	/s/ Wayne Wilson
/s/ Barbara Jaus	Title:	President

STATE OF OHIO, COUNTY OF MONTGOMERY, SS:

The foregoing instrument was acknowledged before me this 19 day of June, 2001, by Robert A. Gallinis, President of Miller-Valentine Realty, Inc., managing agent for EWE INVESTMENTS V, LTD.

/s/ Rita A. Hughes
Notary Public

RITA A. HUGHES, Notary Public
In and for the State of Ohio
My Commission Expires May 4,2006

STATE OF New Hampshire COUNTY OF Hillsborough, ss:

The foregoing instrument was acknowledged before me this 15, day of June, 2001 by Wayne L. Wilson, the President of MERRIMACK SERVICES CORPORATION, a corporation on behalf of said corporation.

/s/ Dolores R. Collins
NOTARY PUBLIC

[SEAL]

Revised by Legal Dept. 5/3/01

Exhibit 15

August 10, 2001

PC Connection Inc. and Subsidiaries
Merrimack, New Hampshire

We have made a review, in accordance with standards established by the American Institute of Certified Public Accountants, of the unaudited interim financial information of PC Connection, Inc. and subsidiaries for the periods ended June 30, 2001 and 2000, as indicated in our report dated July 18, 2001; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended June 30, is incorporated by reference in Registration Statement Nos. 333-40172, 333-69981, 333-50847, 333-50845, and 333-83943 of PC Connection, Inc. on Form S-8.

We are also aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/DELOITTE & TOUCHE LLP
Boston, Massachusetts