
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported): December 10, 2003

PC CONNECTION, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-23827

(Commission File Number)

02-0513618

(IRS Employer Identification No.)

**Rt. 101A, 730 Milford Road,
Merrimack, New Hampshire**
(Address of Principal Executive Offices)

03054
(Zip Code)

(603) 423-2000

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Item 5. Other Events and Required FD Disclosure.

On December 11, 2003, PC Connection, Inc., a Delaware corporation ("PCC"), is planning to participate in the Raymond James IT Supply Chain Conference, and will be discussing various aspects of its business. During the course of those discussions, certain limited financial information and other limited facts of its business will be presented to investors. This information is included in Item 7(c) below as an Exhibit.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits.

99.1 Information for Investor Meetings.

SIGNATURE

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 hereunto duly authorized.

Date: December 10, 2003

REGISTRANT

PC CONNECTION, INC.

By: /s/ Mark A. Gavin

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

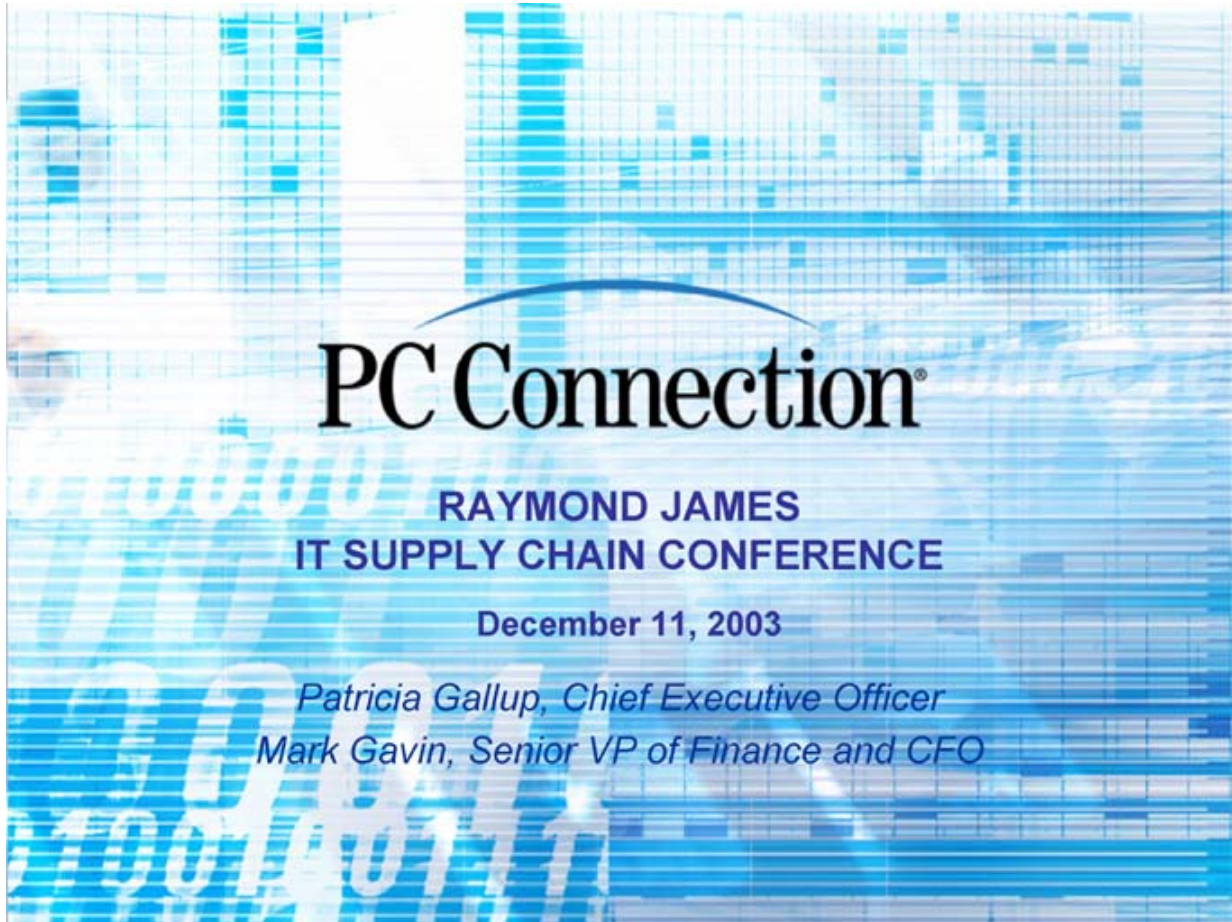
EXHIBIT INDEX

Exhibit Number

Description

99.1

Information for Investor Meetings.



PC Connection®

**RAYMOND JAMES
IT SUPPLY CHAIN CONFERENCE**

December 11, 2003

*Patricia Gallup, Chief Executive Officer
Mark Gavin, Senior VP of Finance and CFO*

SAFE HARBOR STATEMENT

This presentation contains forward-looking statements that are subject to risks and uncertainties, including, but not limited to, the impact of changes in market demand and the overall level of economic activity, or in the level of business investment in information technology products, competitive products and pricing, product availability and market acceptance, new products, fluctuations in operating results and other risks detailed under the caption "Factors That May Affect Future Results and Financial Condition" in the Company's 2003 Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission for the quarter ended September 30, 2003. More specifically, the statements in this release concerning the Company's outlook for the balance of 2003 and the statements concerning the Company's gross margin percentage and selling and administrative costs and other statements of a non-historical basis (including statements regarding implementing strategies for future growth, the ability of the Company to regain its model of profitable growth and the expected benefits of the Company's electronic commerce strategy) are forward-looking statements that involve certain risks and uncertainties. Such risks and uncertainties include the ability to realize market demand for and competitive pricing pressures on the products and services marketed by the Company, the continued acceptance of the Company's distribution channel by vendors and customers, continuation of key vendor relationships and support programs and the ability of the Company to hire and retain qualified sales representatives and other essential personnel.

PC CONNECTION, INC.

■ Fortune 1000	
■ Founded	1982
■ Employees	1,400
■ Exchange	NASDAQ
■ Symbol	PCCC
■ Shares Outstanding	24.8 Million
■ Float	7.4 Million
■ Market Capitalization	\$217 Million
■ 2002 Sales :	\$1.19 Billion
■ Total Book Value Per Share	\$6.30
■ Tangible Book Value Per Share	\$4.80
■ Closing Price – 11/30/03	\$8.75

PC Connection



PC Connection®

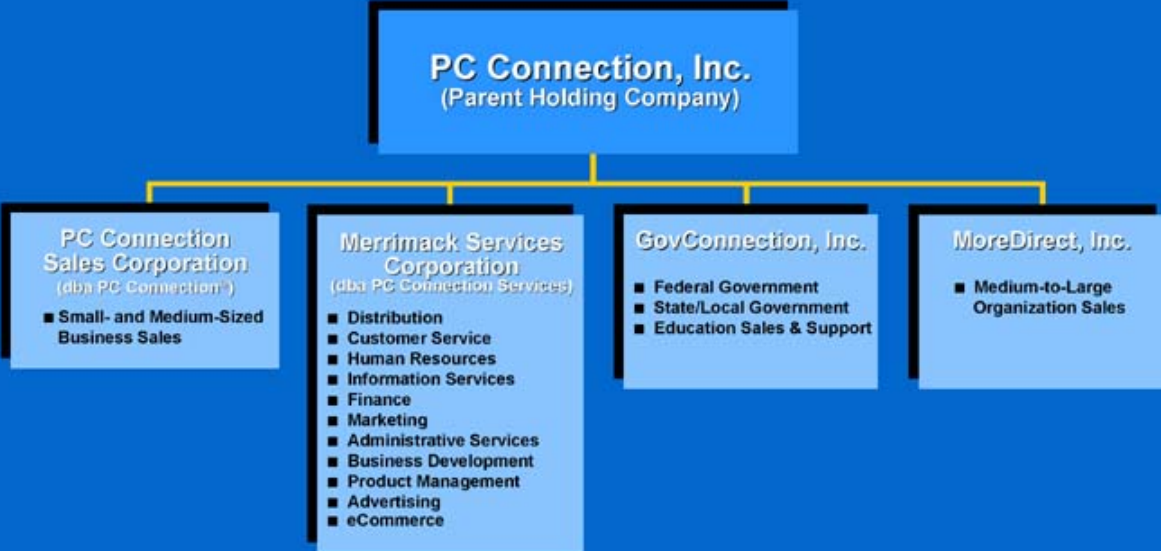
Business Overview

Patricia Gallup, Chief Executive Officer

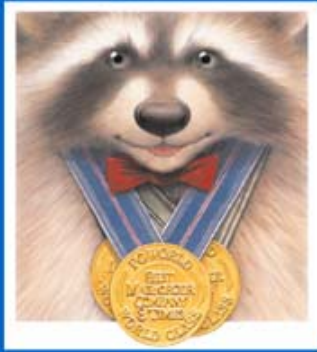
BUSINESS OVERVIEW

- A rapid response provider of information technology (IT) products and solutions
- Operates through three sales subsidiaries
- Relationship-based model with 580 sales representatives
- Multiple vendor relationships
- Offering more than 100,000 brand-name products

ORGANIZATIONAL STRUCTURE & BUSINESS SEGMENTS



Awards & Recognition



- Ranked #2 by Inc. Magazine's list of 500-fastest growing companies
- Nine-Time Winner of the PC World Class Award
- Named Best Company by Boston Computer Society User Group
- Winner of National Entrepreneur of the Year Award for Principle-Centered Management
- Holder of the Better Business Bureau Torch Award for Business Ethics
- Ranked #7 on Business Week list of "World's Top 100 Technology Companies"
- BizRate Circle of Excellence: Nation's Best Online Service

PC Connection

PC CONNECTION, A WIDELY RECOGNIZED BRAND NAME



PC Connection

BUILDING ADDITIONAL BRANDS:

PC Connection®

GovConnection™

**MORE
DIRECT**

PC Connection



PC Sales Corporation (SMB Segment)

- Leading direct marketer of information technology products and solutions
- Focused on small- and medium-sized businesses (SMBs)
- Utilize outbound telemarketing, catalog and website marketing



PC Connection[®]

- Differentiated by providing superior service and value to customers
- Number of sales representatives – 390
(as of September 30, 2003)
- 2002 annual sales - \$703 million

PC Connection[®]



GovConnection, Inc. (Public Sector)

- Public sector customers are separated into four distinct market sectors:

Federal

K – 12

State and Local

Higher Ed

- Utilize field sales, outbound telemarketing, catalog and website



■ General seasonality of business:

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
Federal	15%	17%	33%	35%	100%
Education	19%	29%	31%	21%	100%
State and Local	20%	31%	26%	23%	100%

GovConnection™

- Number of sales representatives – 111
(as of September 30, 2003)
- 2002 annual sales - \$294 million

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MoreDirect, Inc.

- Provides efficient IT hardware procurement system for large customers
- Knowledgeable, high-level field sales account managers with 10 – 20 years experience in IT hardware
- Aggregates inventories of leading wholesale distributors and manufacturers
(virtual inventory – no warehousing or logistics)

MORE™ **DIRECT**

- Provides asset tracking, serial number and invoice data directly into customers back-end systems
- Number of sales representatives – 79 (as of September 30, 2003)
- 2002 pro forma annual sales - \$249 million

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*OFFERING CHOICE AND
SUPERIOR SERVICE IS OUR
COMPETITIVE ADVANTAGE*



PC Connection

PRODUCTS – “YOUR BRANDS”

- Over 1,400 Manufacturers
- \$50M of Inventory On Hand
- Distribution Partnerships
(Ingram, Tech Data, Others)

HARDWARE SUPPORT – “YOUR WAY”

- Custom Configuration
- Image Loading
- Asset Tagging
- Rollout Management
- Custom Services

LOGISTICS – “NEXT DAY”

- Warehouse on Airborne facility
- 200,000+ square feet
- Shipping through 3:00 a.m.
- 99.5% Fill Rate



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BROAD PRODUCT SELECTION



PC Connection

MULTIPLE VENDOR RELATIONSHIPS



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PURSUING LARGE MARKET OPPORTUNITIES

(\$ in millions)

Company Segments	Market ⁽¹⁾ Opportunity	Pro Forma Net Sales 2002 ⁽²⁾	Company Market Share
Small- and Medium-Sized Businesses	\$80,000	\$703	0.88%
Government & Education	48,000	294	0.61%
Large Corporate Accounts	85,000	249	0.29%
	\$213,000	\$1,246	0.58%

⁽¹⁾ IDC and PC Connection estimates

⁽²⁾ The pro forma net sales assumes the acquisition of MoreDirect had taken place January 1, 2002


PC Connection



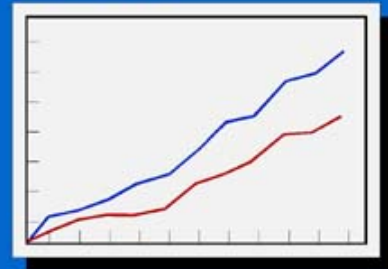
PC Connection®

Strategies for Growth

Patricia Gallup, Chief Executive Officer

GROWTH STRATEGIES OVERVIEW

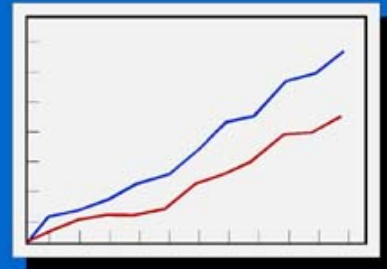
- Improve Sales Productivity
- Increase the Number of Sales Representatives
- Improve Product Margins
- Leverage the Power of Internet Technology
- Heighten Focus on Enterprise Server and Networking Opportunities



PC Connection

GROWTH STRATEGIES OVERVIEW

- Expand Product and Service Offerings
- Sharpen Focus on High-Growth Customer Segments
- Pursue Strategic Acquisitions and Alliances



PC Connection

IMPROVE SALES PRODUCTIVITY

(\$ in thousands) Company Segments	Pro Forma Net Sales 2002 (1)	Sales Reps Annual	Average Productivity	
			Annual 2002 (1)	Target
Small- and Medium-Sized Businesses	\$ 703,505	341	\$2,063	\$3,000
Government & Education	293,938	99	2,969	3,500
Large Corporate Accounts	248,564	72	3,452	4,000
Total/Average	\$1,246,007	512	\$2,434	\$3,200

(1) The pro forma information assumes the acquisition of MoreDirect had taken place January 1, 2002

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IMPROVE TRAINING IN KEY AREAS



PC Connection

AREAS OF CONCENTRATION FOR TRAINING PROGRAMS

- Account Manager training
- Technical Certifications in key areas
- Online interactive training at the employee's desk
- Continuing sales skills training
- Ongoing training partnerships with key vendors

INCREASE THE NUMBER OF SALES REPRESENTATIVES

	Q4 02	Q1 03	Q2 03	Q3 03
SMB	341	330	355	390
Public Sector	99	101	114	111
Large Account	72	74	77	79
Total	512	505	546	580

ACCOUNT MANAGER TENURE

(In Months)



IMPROVE PRODUCT MARGINS

- Enhancement of add-on sales for accessories and consumables
- Increase sales of enterprise-class products as a percent of total net sales
- Increase account penetration with PC Connection and third-party value-added service offerings
- Greater focus on solution sales

INTERNET BUSINESS ACCOUNTS (IBAs)

The screenshot shows the PC Connection website interface. The main content area is titled "Status of Carts Submitted for Approval". It contains two tables:

Carts waiting to be approved

Cart Name	Cart ID	Submitted Date	Submitted by	Approver	Total	Status	Select
1027080	1027080	12/2/2002 11:23:40 PM	Ken Gilgan	Baron Image	\$5,397.61	Pending	View
1027090	1027090	12/2/2002 11:56:16 PM	Ken Gilgan	Baron Image	\$5,399.00	Pending	View
1027090	1027090	12/2/2002 11:56:16 PM	Ken Gilgan	Baron Image	\$919.00	Pending	View
1027100	1027100	12/2/2002 11:56:25 PM	Ken Gilgan	Baron Image	\$5,397.61	Pending	View

Ordered Carts

Cart Name	Cart ID	Submitted Date	Submitted by	Approver	Total	Status	Select
1027100	1027100	12/2/2002 11:56:25 PM	Ken Gilgan	Baron Image	\$299.95	Ordered	View Reorder

- 24 x 7 Purchasing
- Centralized Purchasing Control
- Account-Specific Pricing
- Integration with Customer Procurement Systems
- Reduced Transaction Costs
- Increased Sales Productivity
- Lower Return Rate
- Less Discounting

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INTERNET BUSINESS ACCOUNT PROGRAM

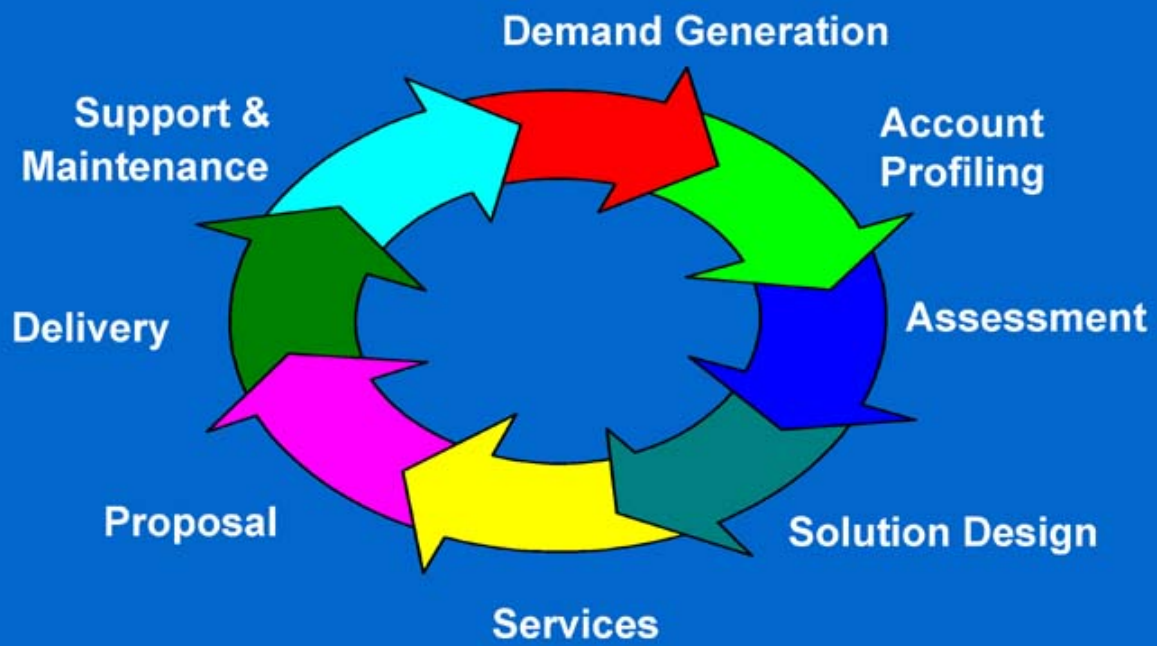
(Excluding MoreDirect)



HEIGHTEN FOCUS ON ENTERPRISE & NETWORKING

- Focus on Enterprise Solution Sales Cycle
- Increase Technical Staff Certifications
- Complete IT Lifecycle Services
- Customer Briefing Center
- Product Mix Shifting from Desktop to Enterprise

ENTERPRISE SOLUTION SALES CYCLE



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TECHNICAL STAFF CERTIFICATIONS

PC Connection invested 1,950 man-hours in certification training during FY02

- HP Master ASE SAN Architect, High Availability & Clustering
- HP StorageWorks for Unix
- HP: STAR NCP Network Connectivity, NTP & TCP
- Veritas High Availability
- Veritas Data Protection (*May 2003*)
- Microsoft MCSE & MCPS
- Cisco CCNA, CCDA
- Sun Solaris CSA & CNA
- Checkpoint CCSA & CCSE
- Citrix MetaFrame
- CompTIA: A+ Core, Network+, Server+, Linux+
- 3Com CSA, CSE & NBX
- IBM: PSS & PSE
- Nortel: Switching Core Technology
- Novell: CNE

COMPLETE IT LIFECYCLE SERVICES

PC Connection is focused on helping customers solve business problems through the application of technology products and services

■ Hardware Management

- Installation
- Configuration
- System Rollouts
- Asset Management
- Logistics Support
- Desktop Management
- Image Loading
- Managed Virus Protection
- Maintenance Contracts
- Warranty Upgrades
- Damage Protection
- Leasing
- Obsolete Asset Disposition
- Technology Refresh
- Staff Augmentation

■ Networking

- SAN Design & Installation
- Network Security
- Wireless LAN Support
- IT Assessment
- LAN/WAN Architecture
- Storage Consulting
- Staff Augmentation
- Cable Plant (wiring)

■ Software

- Asset Management
 - License Compliance
 - Deployed vs. Owned Analysis
- Site Licensing Programs
- Image Management
- Installation & Migration

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CUSTOMER BRIEFING CENTER

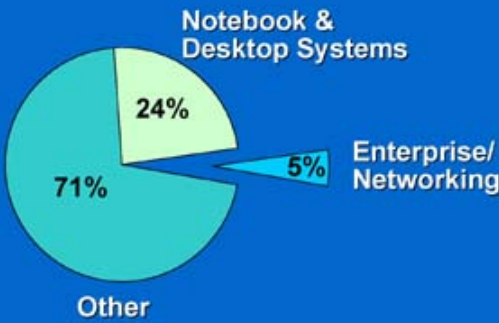
- Working Lab Environment Used for Customer Visits and Training
- Cornerstone of PCC Customer Events
 - Invite Top Customers/Prospects to HQ - Expenses Paid by PCC
 - Feature Industry Analyst and Vendor Exec as Keynote Speaker
 - Utilize Lab Environment for Solution Demonstrations
 - Provide Case Studies from PCC and Vendor Engineer Experiences
 - Initiate Account Planning Sessions with PCC and Vendor Reps
- Solutions
 - Storage Mgt
 - Security
 - Disaster Recovery
 - SAN
 - Messaging



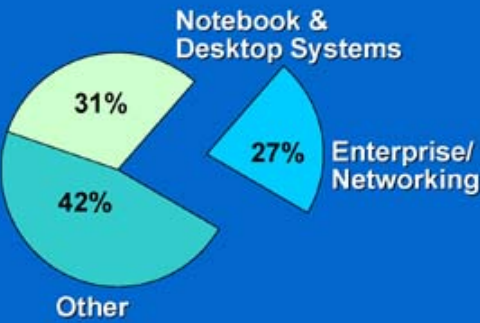
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PRODUCT MIX SHIFTING FROM DESKTOP TO ENTERPRISE

1996



2002



PURSUE STRATEGIC ACQUISITIONS

- Consolidating Industry Creates Opportunities
- Strategy Built on Experience & Discipline
 - Acquire New Customers
 - Strengthen Product Offerings
 - Add Management Talent
 - Immediately Accretive to Earnings and Operating Metrics
 - Culture & Fit are Crucial

The background of the slide is a blue-toned image featuring a grid pattern and binary code (0s and 1s) overlaid on a blurred photograph of a person. The overall aesthetic is digital and professional.

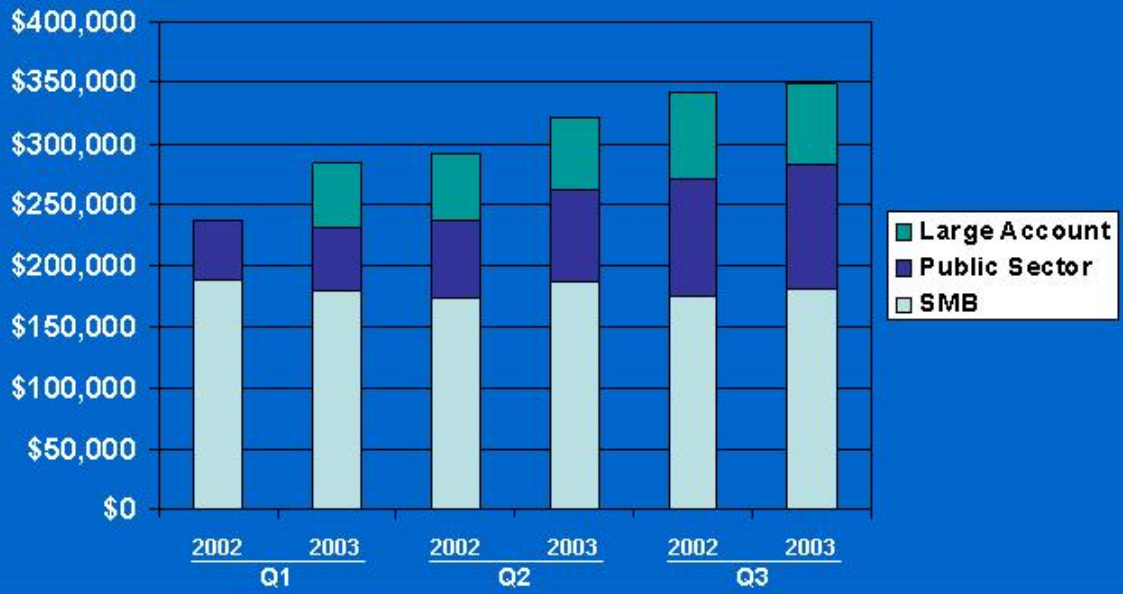
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Financial Summary

Mark A. Gavin, Sr. VP of Finance and CFO

NET SALES BY SEGMENT

(\$ in thousands)



PC Connection

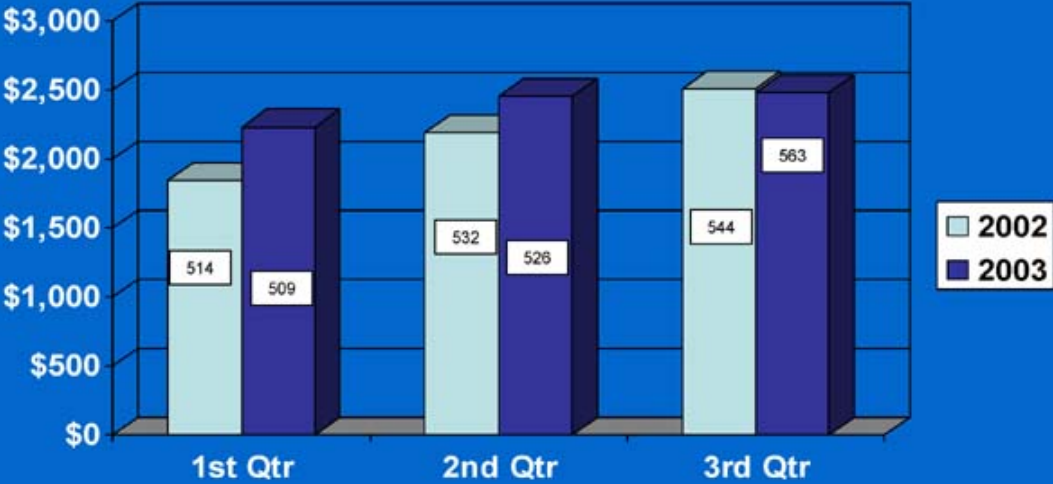
Q4 2003 SALES TRENDS

	% Change Over Prior Year Month	
	2003	
	October	November
SMB	23.4%	16.5%
Public Sector:		
Federal	28.4%	8.9%
Sled	28.1%	17.4%
Total	28.3%	12.6%
Large Account	0.2%	(11.8)%
Consolidated	19.5%	8.7%

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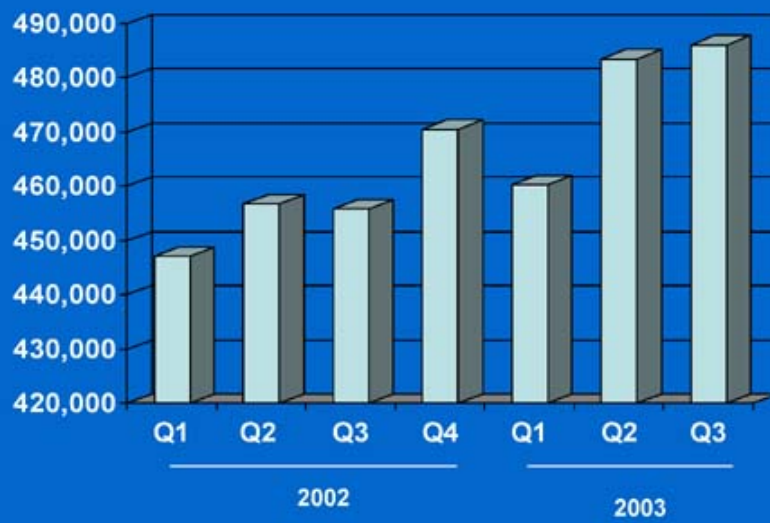
SALES PRODUCTIVITY – ANNUALIZED

(\$ in thousands)

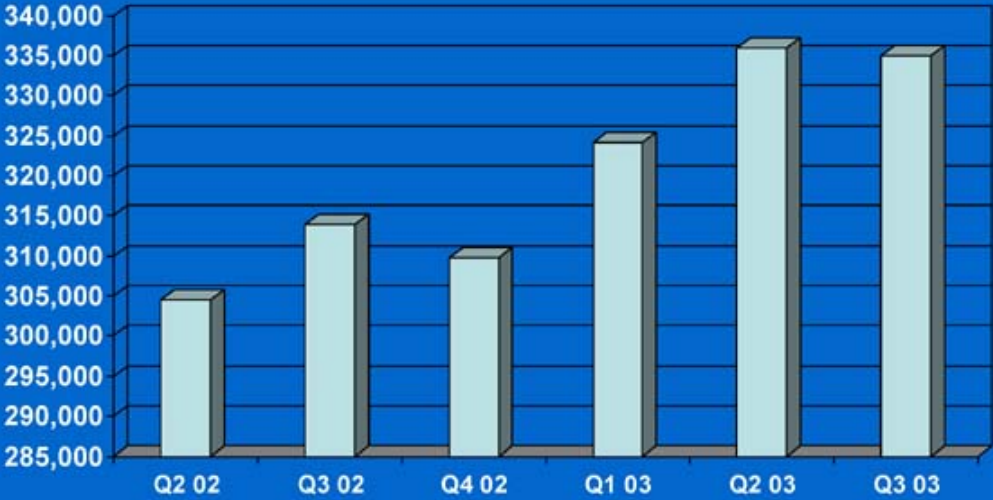


White boxes represent average reps

ACTIVE CUSTOMERS



NUMBER OF ORDERS



Q3 PRODUCT MIX – 2003 vs. 2002

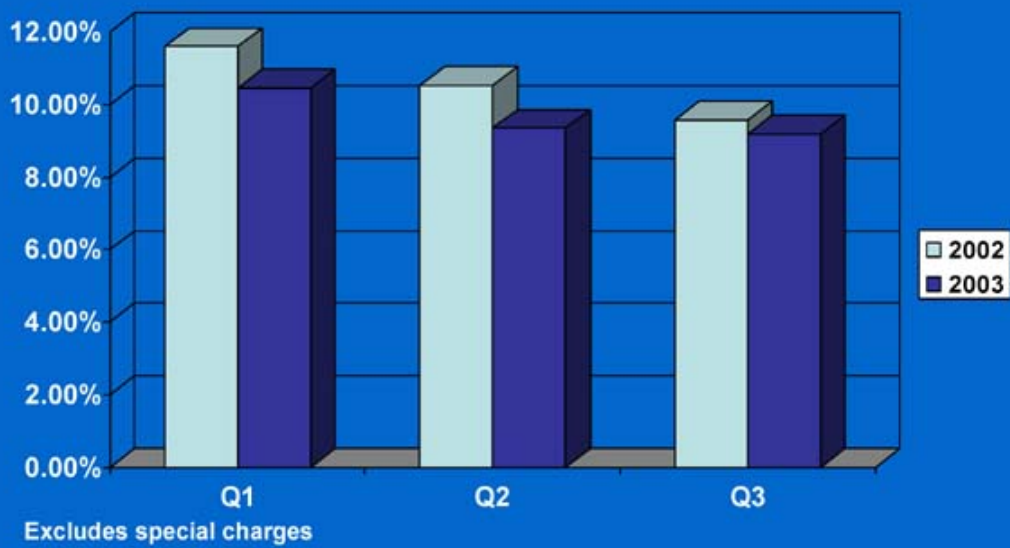
	2003 % of Net Sales	2002 % of Net Sales	% Change
Notebooks & PDAs	20.9%	16.9%	26.5%
Desktops/Servers	14.2%	13.6%	7.5%
Storage Devices	8.9%	9.3%	(1.6)%
Software	10.7%	15.8%	(30.4)%
Net/Com Products	8.0%	7.7%	6.3%
Printers & Printer Supplies	11.4%	11.0%	5.9%
Video, Imaging & Sound	11.7%	10.8%	11.3%
Memory & System Enhancements	5.7%	5.3%	9.2%
Accessories/Other	8.5%	9.6%	(9.7)%
	100.0%	100.0%	2.5%


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GROSS MARGINS AS A % OF SALES

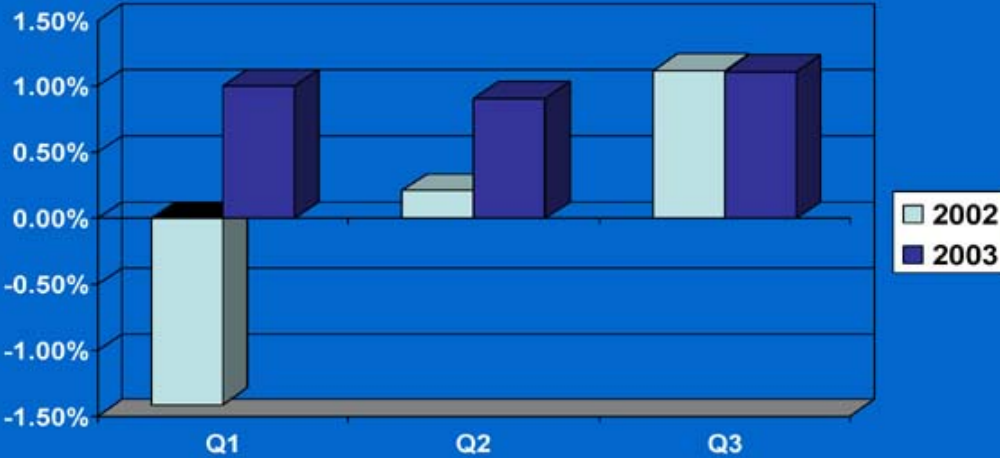
	Q3 2003	Q2 2003
SMB	11.24%	10.74%
Public Sector	7.96%	7.89%
Large Account	11.31%	11.68%
Consolidated	10.28%	10.25%

S,G&A AS A % OF NET SALES

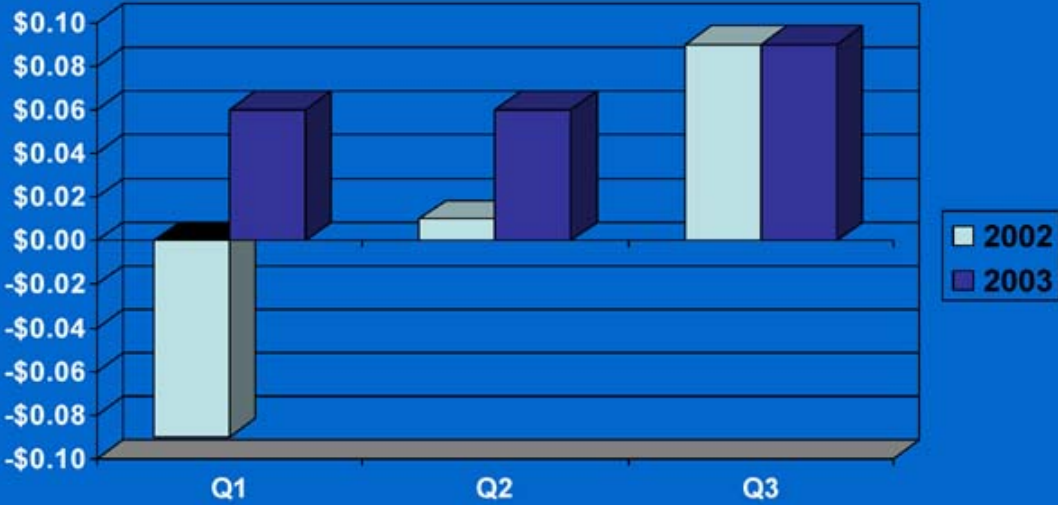


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OPERATING MARGINS AS A % OF NET SALES



DILUTED EARNINGS PER SHARE



ASSET UTILIZATION

	Q3 2003	Q3 2002
DSO	48	50
Inventory Turns	19	24

FINANCIAL MODEL

	1998	1999	2000	2001	2002	TWO-YEAR TARGET RANGES
REVENUE GROWTH	33.0%	44.0%	33.0%	(18.0)%	-	15% +
EPS GROWTH	29.0%	44.0%	30.0%	(75.0)%	(57.0)%	30% +
GROSS PROFIT MARGIN	12.4%	12.0%	12.2%	11.1%	10.8%	11.0 – 11.5%
SG&A ⁽¹⁾	9.1%	8.5%	8.6%	9.9%	10.2%	8.5% - 9.0%
OPERATING MARGIN	3.0%	3.5%	3.6%	1.0%	.5%	2.0% - 2.5%
INVENTORY TURNS	10X	14X	18X	18X	22X	25 – 28X
DAYS SALES OUTSTANDING (DSO)	53	58	50	53	49	40 – 43 Days

⁽¹⁾ Excluded restructuring costs and other special charges

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Complete IT Solutions for Business