UNITED STATES
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): January 25, 2007

PC Connection, Inc.

(Exact name of registrant as specified in charter)

Delaware	0-23827	02-0513618
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Rt. 101A, 730 Milford Road Merrimack, NH	03054
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (603) 683-2000

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

|_| Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

|_| Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

|_| Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

|_| Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

On January 25, 2007, PC Connection, Inc. announced its financial results for the quarter and year ended December 31, 2006. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Form 8-K (including Exhibit 99.1) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

The following exhibit relating to Item 2.02 shall be deemed to be furnished, and not filed:

99.1 Press Release issued by PC Connection, Inc. on January 25, 2007.

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: January 25, 2007

PC CONNECTION, INC.

By: /s/ Jack Ferguson

Jack Ferguson
Senior Vice President, Treasurer
and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release issued by PC Connection, Inc. on January 25, 2007.

Exhibit 99.1

PC Connection, Inc. Reports Fourth Quarter and Full Year Results

Company Continues Record Quarterly and Annual Sales

MERRIMACK, N.H.--(BUSINESS WIRE)--Jan. 25, 2007--PC Connection, Inc. (NASDAQ: PCCC)

FOURTH QUARTER HIGHLIGHTS:	FULL YEAR HIGHLIGHTS:
-- Net sales: $432 million, 8.3% growth y/y	-- Net sales: $1,636 million, 13.3% growth y/y
-- Gross profit margin: 12.0%, up in all segments	-- Gross profit margin: 12.2%, up in all segments
-- Net income: $4.6 million	-- Net income: $13.8 million
-- Diluted earnings per share: $.17	-- Diluted earnings per share: $.54

PC Connection, Inc. (NASDAQ: PCCC) achieved record quarterly sales and increased earnings per share year over year in the quarter ended December 31, 2006.

Net sales for the three months ended December 31, 2006 increased by $33.3 million, or 8.3%, to $431.9 million from $398.6 million for the three months ended December 31, 2005. Net income for the quarter was $4.6 million, or $.17 per share, compared to break even for the corresponding prior year quarter.

"We are pleased with the Company's 2006 performance for both the fourth quarter and the year," said Patricia Gallup, Chairman and Chief Executive Officer, PC Connection, Inc. "We added significantly to the number of new and active accounts, improved gross margins, and increased our earnings per share."

The three-month period ended December 31, 2005 included special charges that reduced earnings and earnings per share. Had these charges not been incurred, pro forma net income for the quarter ended December 31, 2005 would have been $0.8 million, or $.03 per share, compared to $4.6 million, or $.17 per share, for the quarter ended December 31, 2006. We did not record any special charges for the quarter ended December 31, 2006. A reconciliation between net income on a GAAP basis and pro forma net income is provided in a table immediately following the Consolidated Income Statements.

Net sales for the year ended December 31, 2006 increased by $191.4 million, or 13.3%, to $1,635.7 million from $1,444.3 million for the year ended December 31, 2005. The three- and twelve-month periods ended December 31, 2006 included revenue generated by former sales representatives of Amherst Technologies who joined the Company after our purchase of Amherst assets in October 2005. Net income for the year ended December 31, 2006 was $13.8 million, or $.54 per share, compared to $4.4 million, or $.18 per share, for the year ended December 31, 2005. The twelve-month periods ended December 31, 2006 and 2005 included special charges that reduced earnings and earnings per share. Had these charges not been recorded, pro forma net income for the year ended December 31, 2006 would have been $15.2 million, or $.59 per share, compared to $5.7 million, or $.23 per share, for the year ended December 31, 2005.

Quarterly Sales Growth By Business Segment:

-- Net sales for the small- and medium-sized business (SMB) segment increased by 3.6% to $231.5 million compared to the fourth quarter of 2005.

-- Net sales to large account customers increased by 18.0% to $132.5 million compared to the fourth quarter of 2005.

-- Net sales to government and education customers (Public Sector segment) increased by 8.1% to $67.9 million compared to the fourth quarter of 2005.

Quarterly Sales Growth By Product Mix:

- Notebooks and PDAs continued to be the Company's largest product category, accounting for 16.9% of net sales in the fourth quarter of 2006 compared to 17.3% for the corresponding period a year ago.

- Desktop computers and servers accounted for 14.0% of net sales in the fourth quarter of 2006 compared to 14.4% of net sales for the corresponding period a year ago.

- Video, Imaging, and Sound accounted for 13.2% of net sales in the fourth quarter of 2006 compared to 13.7% of net sales for the corresponding period a year ago.

- Net/Com products grew 24.9% year over year to 9.4% of net sales due to an increase in infrastructure, switching, and routing solutions sales.

- Sales of accessories and other products increased 11.6% year over year to 11.0% of net sales due to higher attachment sales of services and companion products.

Gross profit margin, as a percentage of net sales, increased 100 basis points to 12.0% in the fourth quarter of 2006 from 11.0% in the fourth quarter of 2005. Gross margin improved in all three business segments due to increased focus on invoice margins, greater vendor consideration received in the quarter, and increased service revenues and software referral fees. Annualized sales productivity in the large account and public sectors increased 18% and 5%, respectively, in the fourth quarter of 2006 compared to the fourth quarter of 2005. However, productivity decreased 11% in SMB due to the addition of a new call center. The total number of sales representatives increased by 48 to 666 as of December 31, 2006 from 618 as of December 31, 2005.

Total selling, general and administrative expenses ("SG&A") for the quarter increased year over year by $2.5 million, or 6.0% but decreased as a percentage of sales to 10.2% in the fourth quarter of 2006 from 10.5% for the fourth quarter of 2005. The year-over-year dollar increase resulted primarily from increased variable compensation associated with higher gross profit dollars, incremental operating expenses associated with our new Texas sales office, and other variable support costs related to revenue growth. The 2006 reduction in SG&A as a percentage of sales resulted from improved leveraging of our expense structure.

Ms. Gallup concluded, "PC Connection's 2006 financial results are encouraging. Overall sales were at the highest level in the Company's history, and our operating margins continued to improve. The Company's positive performance was a result of our success in executing our business plans, and offering the best combination of products, services, solutions, and customer care in the industry. We believe PC Connection has the right strategies, resources, and talent in place to continue to build on our successes and increase long-term shareholder value."

About PC Connection, Inc.

PC Connection, Inc., a Fortune 1000 company, owns three sales companies: PC Connection Sales Corporation, MoreDirect, Inc., and GovConnection, Inc., headquartered in Merrimack, NH, Boca Raton, FL, and Rockville, MD, respectively. All three companies can deliver custom-configured computer systems overnight. Investors and media can find more information about PC Connection, Inc. at http://ir.pcconnection.com.

PC Connection Sales Corporation (1-800-800-5555), the original business of PC Connection, Inc. serving the small- and medium-sized business sector (SMB), is a rapid-response provider of information technology (IT) products and solutions. It offers more than 150,000 brand-name products through its staff of technically trained sales account managers and catalog telesales representatives, catalogs, and publications, and its Web site at www.pcconnection.com. The subsidiary serves the Apple/Macintosh community through its MacConnection division (1-800-800-2222), which also publishes specialized catalogs and is online at www.macconnection.com.

MoreDirect, Inc. (561-237-3300), www.moredirect.com, provides corporate technology buyers with a comprehensive web-based e-procurement solution and in-depth IT supply-chain expertise, serving as a one-stop source by aggregating more than 300,000 products from the inventories of leading IT wholesale distributors and manufacturers. MoreDirect's TRAXX(R) system is a seamless end-to-end interface that empowers clients to electronically source, evaluate, compare prices, and track related technology product purchases in real-time.

GovConnection, Inc. (1-800-800-0019) is a provider of IT products and solutions to federal, state, and local government agencies and educational institutions through specialized account managers, catalogs and publications, and online at www.govconnection.com.

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"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995: This release 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 the ability of the Company to hire and retain essential personnel, and other risks detailed under the caption "Risk Factors" in the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission for the quarter ended September 30, 2006. More specifically, the statements in this release concerning the Company's outlook for 2007 and the statements concerning the Company's gross margin percentage, productivity, 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 improve sales productivity and increase its market share) 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 and customer relationships and support programs and the ability of the Company to hire and retain qualified sales representatives and other essential personnel. The Company assumes no obligation to update the information in this press release or revise any forward-looking statements, whether as a result of any new information, future events, or otherwise.

CONSOLIDATED SELECTED FINANCIAL HIGHLIGHTS

At or for the Three Months Ended December 31,	2006		2005		
(Dollars and shares in thousands, except operating data, price/earnings ratio, and per share data)		% of Net Sales		% of Net Sales	% Change
Operating Data:					
Net sales	$ 431,866		$ 398,612		8.3%
Diluted earnings per share	$ 0.17		$ .00		100.0
Gross profit margin	12.0%		11.0%		
Operating margin	1.8%		0.2%		
Return on equity (1)	9.7%		0.0%		
Catalogs distributed	4,440,000		6,284,000		-29.3%
Orders entered (2)	403,700		379,600		6.3%
Average order size (2)	$ 1,208		$ 1,195		1.1%
Inventory turns (1)	20		20		
Days sales outstanding	45		47		
Product Mix:					
Notebooks & PDAs	$ 73,160	16.9%	$ 69,139	17.3%	5.8%
Desktops/Servers	60,474	14.0	57,189	14.4	5.7
Storage Devices	37,211	8.6	33,641	8.4	10.6
Software	52,714	12.2	48,266	12.1	9.2
Net/Com Products	40,458	9.4	32,383	8.1	24.9

Printers & Printer Supplies	40,430	9.4	38,677	9.7	4.5
Video, Imaging & Sound	56,817	13.2	54,552	13.7	4.2
Memory & System Enhancements	23,013	5.3	22,110	5.6	4.1
Accessories/Other	47,589	11.0	42,655	10.7	11.6
	$ 431,866	100.0%	$ 398,612	100.0%	8.3%

Net Sales of Enterprise Server and Networking Products (included in the above Product Mix):

	$ 138,123	32.0%	$ 116,705	29.3%	18.4%

Stock Performance Indicators:		
Actual shares outstanding	26,500	25,259
Total book value per share	$ 7.43	$ 6.79
Tangible book value per share	$ 5.12	$ 4.32
Closing price	$ 14.83	$ 5.38
Market capitalization	$ 392,995	$ 135,895
Trailing price/earnings ratio (3)	28	30

(1) Annualized
(2) Does not reflect cancellations or returns
(3) Earnings is based on the last four quarters

SELECTED SEGMENT INFORMATION

For the Three Months Ended December 31,	2006		2005	
(Dollars in thousands)	Net Sales	Gross Margin (%)	Net Sales	Gross Margin (%)
PC Connection Sales Corporation (SMB)	$231,481	12.9%	$223,504	12.2%
MoreDirect (Large Account)	132,465	10.7	112,303	9.3
GovConnection (Public Sector)	67,920	11.9	62,805	9.6
Total	$431,866	12.0%	$398,612	11.0%

CONSOLIDATED INCOME STATEMENTS

Three Months Ended December 31,	2006		2005	
(Amounts in thousands, except per share data)	Amount	% of Net Sales	Amount	% of Net Sales
Net sales	$431,866	100.0%	$398,612	100.0%
Cost of sales	379,919	88.0	354,794	89.0
Gross Profit	51,947	12.0	43,818	11.0
Selling, general and administrative expenses	44,147	10.2	41,655	10.5
Special charges	-	0.0	1,274	0.3
Income From Operations	7,800	1.8	889	0.2
Interest expense	(353)	(0.1)	(601)	(0.1)

Other, net	87	-	39	-
Income tax provision	(2,963)	0.6	(316)	(0.1)
Net Income	$ 4,571	1.1%	11	0.0%
Weighted average common shares outstanding:				
Basic	26,067		25,226	
Diluted	26,507		25,290	
Earnings per common share:				
Basic	$ 0.18		$ .00	
Diluted	$ 0.17		$ .00	

CONSOLIDATED INCOME STATEMENTS

Twelve Months Ended December 31,	2006		2005	
(Amounts in thousands, except per share data)	Amount	% of Net Sales	Amount	% of Net Sales
Net sales	$1,635,651	100.0%	$1,444,297	100.0%
Cost of sales	1,435,400	87.8	1,280,701	88.7
Gross Profit	200,251	12.2	163,596	11.3
Selling, general and administrative expenses	173,927	10.6	151,981	10.5
Special charges	2,391	0.1	2,127	0.1
Income From Operations	23,933	1.5	9,488	0.7
Interest expense	(1,828)	(0.1)	(1,447)	(0.1)
Other, net	121	-	89	-
Income tax provision	(8,450)	0.6	(3,683)	(0.3)
Net Income	$ 13,776	0.8%	$ 4,447	0.3%
Weighted average common shares outstanding:				
Basic	25,516		25,184	
Diluted	25,731		25,281	
Earnings per common share:				
Basic	$ 0.54		$ 0.18	
Diluted	$ 0.54		$ 0.18	

A RECONCILIATION BETWEEN GAAP AND PRO FORMA NET INCOME

This information is being provided so as to allow for a comparison of our operating results without special charges.

December 31,	Three Months Ended		Twelve Months Ended	
(Amounts in thousands)	2006	2005	2006	2005
GAAP net income	$ 4,571	$ 11	$ 13,776	$ 4,447
Special charges (after tax):				
Management restructuring	-	131	900	643

Amherst transaction	-	633	535	633
	-	764	1,435	1,276
Pro forma net income	$ 4,571	$ 775	$ 15,211	$ 5,723

CONSOLIDATED BALANCE SHEETS

(Amounts in thousands)	December 31, 2006	December 31, 2005
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 17,582	$ 9,770
Accounts receivable, net	170,222	162,525
Inventories - merchandise	69,407	75,374
Deferred income taxes	3,837	3,769
Income taxes receivable	627	1,742
Prepaid expenses and other current assets	3,882	4,219
Total current assets	265,557	257,399
Property and equipment, net	19,542	17,700
Goodwill, net	56,867	56,820
Other intangibles, net	4,363	5,427
Other assets	355	359
Total assets	$ 346,684	$ 337,705
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of capital lease obligations:		
To affiliate	$ 464	$ 416
To third party	395	412
Note payable - bank	-	19,975
Accounts payable	110,977	114,413
Accrued expenses and other liabilities	26,756	21,290
Total current liabilities	138,592	156,506
Capital lease obligations, less current maturities:		
To affiliate	4,836	5,299
To third party	-	396
Deferred income taxes	6,352	4,105
Total liabilities	149,780	166,306
Stockholders' Equity:		
Common stock	269	256
Additional paid-in capital	89,600	77,884
Retained earnings	109,321	95,545
Treasury stock at cost	(2,286)	(2,286)
Total stockholders' equity	196,904	171,399
Total liabilities and stockholders' equity	$ 346,684	$ 337,705

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Twelve months ended December 31, 2006 (Amounts in thousands)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Treasury Shares Shares	Treasury Shares Amount	Total
Balance - December 31,							

2005	25,622	$256	$77,884	$95,545	(362)	($2,286)	$171,399
Exercise of stock options, including income tax benefits	1,210	12	11,066	-	-	-	11,078
Issuance of stock under Employee Stock Purchase Plan	30	1	232	-	-	-	233
Stock compensation expense	-	-	418	-	-	-	418
Net income	-	-	-	13,776	-	-	13,776
Balance - December 31, 2006	26,862	$269	$89,600	$109,321	(362)	($2,286)	$196,904

CONSOLIDATED STATEMENTS OF CASH FLOWS

Twelve Months Ended December 31, (Amounts in thousands)	2006	2005
Cash Flows from Operating Activities:		
Net income	$ 13,776	$ 4,447
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,049	7,197
Provision for doubtful accounts	2,885	3,993
Deferred income taxes	2,179	(111)
Loss on disposal of fixed assets	86	43
Stock compensation expense	418	34
Gross excess tax benefit from exercise of stock options	(240)	-
Changes in assets and liabilities:		
Accounts receivable	(10,582)	(45,766)
Inventories	5,967	3,016
Prepaid expenses and other current assets	1,452	(992)
Other non-current assets	4	(170)
Accounts payable	(3,436)	34,704
Income tax benefits from exercise of stock options	1,338	82
Accrued expenses and other liabilities	5,466	3,152
Net cash provided by operating activities	26,362	9,629
Cash Flows from Investing Activities:		
Purchases of property and equipment	(7,981)	(6,572)
Proceeds from sale of property and equipment	21	13
Purchase of intangible asset	-	(475)
Payment of acquisition earn-out obligation	-	(6,921)
Payment for acquisition	-	(7,779)
Net cash used for investing activities	(7,960)	(21,734)
Cash Flows from Financing Activities:		
Proceeds from short-term borrowings	402,039	320,379
Repayment of short-term borrowings	(422,014)	(305,214)
Repayment of capital lease obligations	(828)	(797)

Exercise of stock options	9,740	366
Gross excess tax benefit from exercise of stock options	240	-
Issuance of stock under employee stock purchase plan	233	312
Net cash (used for) provided by financing activities	(10,590)	15,046
Increase in cash and cash equivalents	7,812	2,941
Cash and cash equivalents, beginning of period	9,770	6,829
Cash and cash equivalents, end of period	$ 17,582	$ 9,770

CONTACT: PC Connection, Inc.
Stephen Baldridge, 603-683-2322
VP of Finance & Corporate Controller