

PC Connection, Inc. Reaches Final Settlement on Previously Reported GSA Audit Matter

MERRIMACK, N.H., Dec 07, 2006 (BUSINESS WIRE) -- PC Connection, Inc. (NASDAQ: PCCC), today announced its GovConnection, Inc. subsidiary has reached a final agreement with the United States Attorney's Office. Under the terms of the agreement, GovConnection paid \$2.55 million to settle previously reported matters arising from a General Services Administration (GSA) audit of the subsidiary's operations between 1997 and 2002. Accruals totaling this amount had been made in previous quarters; accordingly, no additional expense will be recognized in the current quarter.

Bob Howard, Vice President of Sales for GovConnection, said, "This settlement was reached in order to avoid the risk, expense, and internal diversion of further negotiation or litigation, with no admission of liability or wrongdoing. We are pleased this matter is behind us. GovConnection looks forward to continuing to meet the information technology needs of our federal government customers, and to build strong, long-term working relationships with them."

About PC Connection, Inc.

PC Connection, Inc., a Fortune 1000 company, owns three sales companies: GovConnection, Inc., PC Connection Sales Corporation, and MoreDirect, Inc., headquartered in Rockville, MD, Merrimack, NH, and Boca Raton, FL, 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.pconnection.com>.

GovConnection, Inc. (1-800-800-0019) is a rapid-response 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.

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.pconnection.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.

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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 2006 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 active customers) 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.

SOURCE: PC Connection, Inc.

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