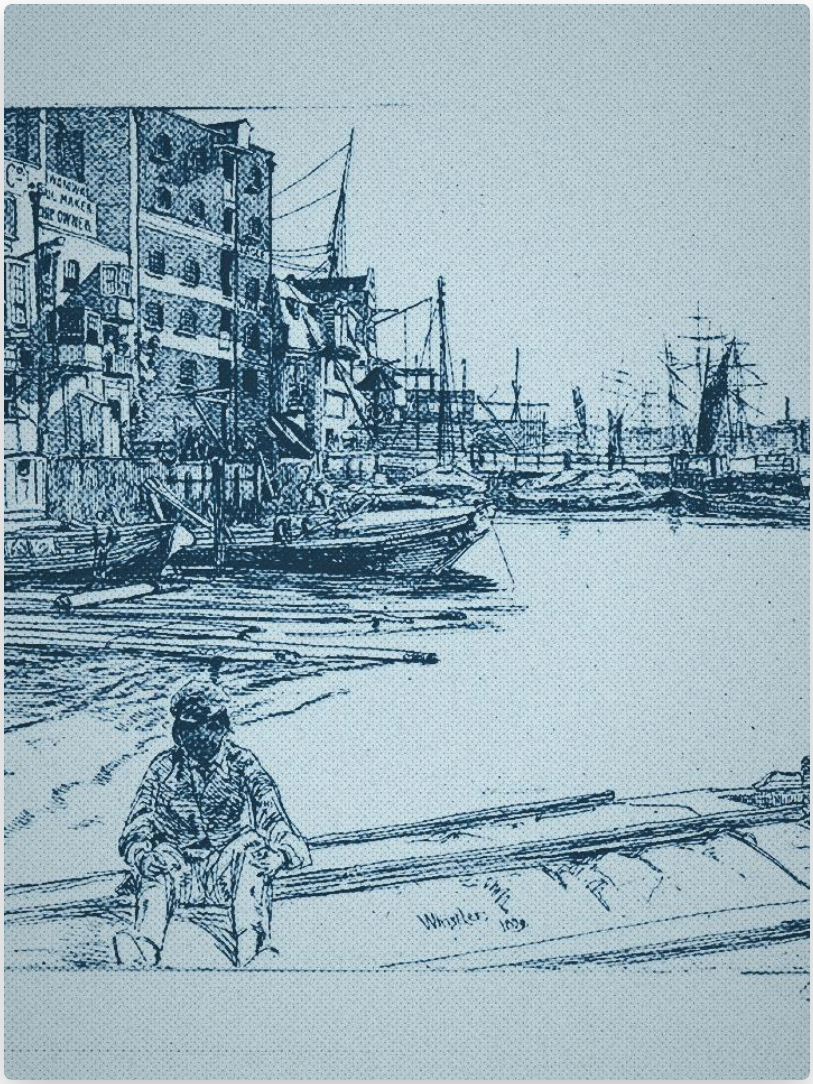
FORM S-1 · REGISTRATION STATEMENT

Ingram Micro Inc

IPO priced 1996-11-01 · $18.00 a share · IM



From S1 Directory · www.s1directory.com/s1/ingram-micro-inc/ · Source: https://www.sec.gov/Archives/edgar/data/1018003/000089256996001252/0000892569-96-001252.txt

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JULY 19, 1996 REGISTRATION NO. 333- SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 FORM S-1 REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

INGRAM MICRO INC. (EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	5045	62-1644402
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

1600 E. ST. ANDREW PLACE SANTA ANA, CA 92705 (714) 566-1000 (ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES) JAMES E. ANDERSON, JR., ESQ. SENIOR VICE PRESIDENT AND GENERAL COUNSEL INGRAM MICRO INC. 1600 E. ST. ANDREW PLACE SANTA ANA, CA 92705 (714) 566-1000 (NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:

WINTHROP B. CONRAD, JR., ESQ.	LARRY W. SONSINI, ESQ.
DAVIS POLK & WARDWELL	WILSON SONSINI GOODRICH & ROSATI
450 LEXINGTON AVENUE	650 PAGE MILL ROAD
NEW YORK, NEW YORK 10017	PALO ALTO, CALIFORNIA 94304
(212) 450-4000	(415) 493-9300

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE OF THE SECURITIES TO THE PUBLIC: AS SOON AS PRACTICABLE AFTER THE REGISTRATION STATEMENT BECOMES EFFECTIVE.

IF ANY OF THE SECURITIES BEING REGISTERED ON THIS FORM ARE TO BE OFFERED ON A DELAYED OR CONTINUOUS BASIS PURSUANT TO RULE 415 UNDER THE SECURITIES ACT OF 1933, CHECK THE FOLLOWING BOX. / / IF THIS FORM IS FILED TO REGISTER ADDITIONAL SECURITIES FOR AN OFFERING PURSUANT TO RULE 462(B) UNDER THE SECURITIES ACT, PLEASE CHECK THE FOLLOWING BOX AND LIST THE SECURITIES ACT REGISTRATION STATEMENT NUMBER OF THE EARLIER EFFECTIVE REGISTRATION STATEMENT FOR THE SAME OFFERING. / / _____ IF THIS FORM IS A POST-EFFECTIVE AMENDMENT FILED PURSUANT TO RULE 462(C) UNDER THE SECURITIES ACT, CHECK THE FOLLOWING BOX AND LIST THE SECURITIES ACT REGISTRATION STATEMENT NUMBER OF THE EARLIER EFFECTIVE REGISTRATION STATEMENT FOR THE SAME OFFERING. / / _____ IF DELIVERY OF THE PROSPECTUS IS EXPECTED TO BE MADE PURSUANT TO RULE 434, PLEASE CHECK THE FOLLOWING BOX. / / CALCULATION OF REGISTRATION FEE

TITLE OF SECURITIES TO BE REGISTERED	NUMBER OF SHARES TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE(2)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(2)	AMOUNT OF REGISTRATION FEE
Class A Common Stock, par value $0.01 per share.....	23,000,000	$14.00	$322,000,000	$111,034.48

(1) INCLUDES 3,000,000 SHARES THAT ARE BEING REGISTERED IN CONNECTION WITH AN OVER-ALLOTMENT OPTION GRANTED TO THE U.S. UNDERWRITERS.

(2) ESTIMATED SOLELY FOR PURPOSES OF CALCULATING THE REGISTRATION FEE PURSUANT TO RULE 457.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

EXPLANATORY NOTE

THIS REGISTRATION STATEMENT CONTAINS TWO FORMS OF PROSPECTUS: (I) ONE TO BE USED IN CONNECTION WITH AN OFFERING IN THE UNITED STATES AND CANADA (THE "U.S. PROSPECTUS") AND (II) THE OTHER TO BE USED IN CONNECTION WITH A CONCURRENT OFFERING OUTSIDE OF THE UNITED STATES AND CANADA (THE "INTERNATIONAL PROSPECTUS"). THE U.S. PROSPECTUS AND THE INTERNATIONAL PROSPECTUS ARE IDENTICAL IN ALL RESPECTS EXCEPT FOR THE FRONT COVER PAGE OF THE INTERNATIONAL PROSPECTUS, WHICH IS INCLUDED HEREIN AFTER THE FINAL PAGE OF THE U.S. PROSPECTUS AND IS LABELED "ALTERNATE PAGE FOR INTERNATIONAL PROSPECTUS." FINAL FORMS OF EACH OF THE PROSPECTUSES WILL BE FILED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER RULE 424(B).

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

PROSPECTUS (SUBJECT TO COMPLETION) ISSUED JULY 19, 1996 20,000,000 SHARES LOGO CLASS A COMMON STOCK OF THE 20,000,000 SHARES OF CLASS A COMMON STOCK (THE "COMMON STOCK") OFFERED HEREBY, 16,000,000 SHARES ARE BEING OFFERED INITIALLY IN THE UNITED STATES AND CANADA BY THE U.S. UNDERWRITERS, AND 4,000,000 SHARES ARE BEING OFFERED INITIALLY OUTSIDE THE UNITED STATES AND CANADA BY THE INTERNATIONAL UNDERWRITERS. SEE "UNDERWRITERS." ALL OF THE SHARES OF COMMON STOCK OFFERED HEREBY ARE BEING ISSUED AND SOLD BY THE COMPANY. PRIOR TO THE OFFERING, THERE HAS BEEN NO PUBLIC MARKET FOR THE COMMON STOCK OF THE COMPANY. IT IS CURRENTLY ESTIMATED THAT THE INITIAL PUBLIC OFFERING PRICE WILL BE BETWEEN $ AND $ PER SHARE. SEE "UNDERWRITERS" FOR A DISCUSSION OF THE FACTORS TO BE CONSIDERED IN DETERMINING THE INITIAL PUBLIC OFFERING PRICE. THE COMPANY HAS TWO CLASSES OF AUTHORIZED COMMON STOCK, THE COMMON STOCK OFFERED HEREBY AND CLASS B COMMON STOCK (THE "CLASS B COMMON STOCK," AND COLLECTIVELY WITH THE COMMON STOCK, THE "COMMON EQUITY"). THE RIGHTS OF HOLDERS OF COMMON STOCK AND CLASS B COMMON STOCK ARE IDENTICAL EXCEPT FOR VOTING AND CONVERSION RIGHTS AND RESTRICTIONS ON TRANSFERABILITY. HOLDERS OF THE COMMON STOCK ARE ENTITLED TO ONE VOTE PER SHARE, AND HOLDERS OF THE CLASS B COMMON STOCK ARE ENTITLED TO TEN VOTES PER SHARE ON MOST MATTERS SUBJECT TO STOCKHOLDER VOTE. UPON THE CLOSING OF THIS OFFERING, THE INGRAM STOCKHOLDERS (AS DEFINED HEREIN) WILL HAVE APPROXIMATELY 80.0% OF THE COMBINED VOTING POWER OF THE COMMON EQUITY (79.8% IF THE U.S. UNDERWRITERS EXERCISE THEIR OVER-ALLOTMENT OPTION IN FULL). APPLICATION HAS BEEN MADE FOR THE COMMON STOCK TO BE LISTED ON THE NEW YORK STOCK EXCHANGE UNDER THE SYMBOL "IM."

SEE "RISK FACTORS" BEGINNING ON PAGE 7 FOR A DISCUSSION OF CERTAIN RISKS ASSOCIATED WITH THE OFFERING. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

PRICE $ A SHARE

	PRICE TO PUBLIC	UNDERWRITING DISCOUNTS AND COMMISSIONS(1)	PROCEEDS TO COMPANY(2)
Per Share.....	$	$	$
Total(3).....	$	$	$

(1) THE COMPANY HAS AGREED TO INDEMNIFY THE UNDERWRITERS AGAINST CERTAIN LIABILITIES, INCLUDING LIABILITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

(2) BEFORE DEDUCTING EXPENSES PAYABLE BY THE COMPANY ESTIMATED AT $1,500,000.

(3) THE COMPANY HAS GRANTED TO THE U.S. UNDERWRITERS AN OPTION, EXERCISABLE WITHIN 30 DAYS OF THE DATE HEREOF, TO PURCHASE UP TO AN AGGREGATE OF 3,000,000 ADDITIONAL SHARES AT THE PRICE TO PUBLIC LESS UNDERWRITING DISCOUNTS AND COMMISSIONS, FOR THE PURPOSE OF COVERING OVER-ALLOTMENTS, IF ANY. IF THE U.S. UNDERWRITERS EXERCISE SUCH OPTION IN FULL, THE TOTAL PRICE TO PUBLIC, UNDERWRITING DISCOUNTS AND COMMISSIONS, AND PROCEEDS TO COMPANY WILL BE $, $ AND $, RESPECTIVELY. SEE "UNDERWRITERS."

THE SHARES ARE OFFERED, SUBJECT TO PRIOR SALE, WHEN, AS AND IF ACCEPTED BY THE UNDERWRITERS NAMED HEREIN AND SUBJECT TO APPROVAL OF CERTAIN LEGAL MATTERS BY WILSON SONSINI GOODRICH & ROSATI, COUNSEL FOR THE UNDERWRITERS. IT IS EXPECTED THAT DELIVERY OF THE SHARES WILL BE MADE ON OR ABOUT , 1996 AT THE OFFICE OF MORGAN STANLEY & CO. INCORPORATED, NEW YORK, NEW YORK, AGAINST PAYMENT THEREFOR IN IMMEDIATELY AVAILABLE FUNDS.

MORGAN STANLEY & CO. INCORPORATED

ALEX. BROWN & SONS INCORPORATED

HAMBRECHT & QUIST

THE ROBINSON-HUMPHREY COMPANY, INC.

J.C. BRADFORD & CO. , 1996

NO PERSON IS AUTHORIZED IN CONNECTION WITH ANY OFFERING MADE HEREBY TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS PROSPECTUS, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR BY ANY UNDERWRITER. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFERING OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCE IMPLY THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF.

UNTIL , 1996 (25 DAYS AFTER COMMENCEMENT OF THIS OFFERING), ALL DEALERS EFFECTING TRANSACTIONS IN THE COMMON STOCK, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS DELIVERY REQUIREMENT IS IN ADDITION TO THE OBLIGATION OF DEALERS TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

FOR INVESTORS OUTSIDE THE UNITED STATES: NO ACTION HAS BEEN OR WILL BE TAKEN IN ANY JURISDICTION BY THE COMPANY OR BY ANY UNDERWRITER THAT WOULD PERMIT A PUBLIC OFFERING OF THE COMMON STOCK OR POSSESSION OR DISTRIBUTION OF THIS PROSPECTUS IN ANY JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED, OTHER THAN IN THE UNITED STATES. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS COMES ARE REQUIRED BY THE COMPANY AND THE UNDERWRITERS TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY RESTRICTIONS AS TO THE OFFERING OF THE COMMON STOCK AND THE DISTRIBUTION OF THIS PROSPECTUS.

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Employee and Priority Offers..... 52 Certain Transactions..... 53 The Split-Off..... 54 Principal Stockholders..... 58 Description of Capital Stock..... 59 Shares Eligible for Future Sale..... 62 Certain U.S. Federal Income Tax Considerations..... 64 Underwriters..... 66 Legal Matters..... 69 Experts..... 69 Additional Information..... 69 Index to Consolidated Financial Statements..... F-1 IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON STOCK OF THE COMPANY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK STOCK EXCHANGE, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Ingram Micro and the Ingram Micro logo are registered trademarks of the Company. Ingram Alliance, IMpulse, "Leading the Way in Worldwide Distribution," and "Partnership America" are trademarks of the Company. All other trademarks or tradenames referred to in this Prospectus are the property of their respective owners.

Unless the context otherwise requires, the "Company" or "Ingram Micro" refers to Ingram Micro Inc., a Delaware corporation, and its consolidated subsidiaries. In addition, unless otherwise indicated, all information in this Prospectus assumes (i) the occurrence of the Split-Off (as defined herein), as of the date of the closing of this offering, and (ii) no exercise of the U.S. Underwriters' over-allotment option. See "Underwriters." The fiscal year of the Company is a 52- or 53-week period ending on the Saturday nearest to December 31. Unless the context otherwise requires, references in this Prospectus to "1991," "1992," "1993," "1994," and "1995" represent the fiscal years ended December 28, 1991 (52 weeks), January 2, 1993 (53 weeks), January 1, 1994 (52 weeks), December 31, 1994 (52 weeks), and December 30, 1995 (52 weeks), respectively. The Company's next 53-week fiscal year will be fiscal year 1997.

Prospectus Summary

The following summary is qualified in its entirety by the more detailed information and consolidated financial statements and the notes thereto appearing elsewhere in this Prospectus.

The Company

Ingram Micro is the leading wholesale distributor of microcomputer products worldwide. The Company markets microcomputer hardware, networking equipment, and software products to more than 105,000 reseller customers in approximately 120 countries worldwide. Ingram Micro distributes microcomputer products through warehouses in eight strategic locations in the continental United States and 21 international warehouses located in Canada, Mexico, most countries of the European Union, Norway, Malaysia, and Singapore. The Company believes that it is the market share leader in

the U.S., Canada, and Mexico, and the second largest full-line distributor in Europe. In 1995, approximately 31% of the Company's net sales were derived from operations outside the U.S. Ingram Micro offers one-stop shopping to its reseller customers by providing a comprehensive inventory of more than 36,000 products from over 1,100 suppliers, including most of the microcomputer industry's leading hardware manufacturers, networking equipment suppliers, and software publishers. The Company's suppliers include Apple Computer, Cisco Systems, Compaq Computer, Creative Labs, Hewlett-Packard, IBM, Intel, Microsoft, NEC, Novell, Quantum, 3Com, Toshiba, and U.S. Robotics.

The Company conducts business with most of the leading resellers of microcomputer products around the world, including, in the United States, Ameridata, CDW Computer Centers, CompuCom, CompUSA, Computer City, Electronic Data Systems, En Pointe Technologies, Entex Information Services, Micro Warehouse, Sam's Club, Staples, and Vanstar. The Company's international reseller customers include Complet Data A/S, Consultores en Diagnostico Organizacional y de Sistemas, DSG Retail Ltd., 06 Software Centre Europe, B.V., GE Capital Technologies, Jump Ordenadores, Maxima S.A., Norsk Datasenter, Owell Svenska AB, SNI Siemens Nixdorf Infosys AG, and TC Sistema SPA.

The Company has grown rapidly over the past five years, with net sales and net income increasing to $8.6 billion and $84.3 million, respectively, in 1995 from $2.0 billion and $30.2 million, respectively, in 1991, representing compound annual growth rates of 43.8% and 29.3%, respectively. The Company's growth during this period reflects substantial expansion of its existing domestic and international operations, resulting from the addition of new customers, increased sales to the existing customer base, the addition of new product categories and suppliers, and the establishment of Ingram Alliance (the Company's master reseller business launched in late 1994), as well as the successful integration of ten acquisitions worldwide.

The Offering

Common Stock offered(1): U.S. Offering..... 16,000,000 Shares International Offering..... 4,000,000 Shares Total..... 20,000,000 Shares Common Equity to be outstanding after this offering(1): Common Stock..... 20,000,000 Shares Class B Common Stock(2)..... 110,882,000 Shares Total(2)..... 130,882,000 Shares Voting rights: Common Stock..... One vote per share Class B Common Stock..... Ten votes per share Use of proceeds..... To repay certain outstanding indebtedness. See "Use of Proceeds." Proposed NYSE Symbol..... IM (1) Assumes no exercise of the U.S. Underwriters' over-allotment option.

(2) See "Principal Stockholders." Excludes 15,900,000 shares of Class B Common Stock issuable in connection with outstanding stock options, with a weighted average exercise price of $3.42 per share. See "Management."

Summary Consolidated Financial Data (In Millions, Except Per Share Data)

	FISCAL YEAR					THIRTEEN WEEKS ENDED	
						APRIL 1,	MARCH 30,
	1991	1992	1993	1994	1995	1995	1996
INCOME STATEMENT DATA:							
Net sales	$2,016.6	$2,731.3	$4,044.2	$5,830.2	$8,616.9	$1,879.5	$2,752.7
Gross profit	185.4	227.6	329.6	439.0	605.7	132.4	186.6
Income from operations	67.6	68.9	103.0	140.3	186.9	38.5	54.9
Net income(1)	30.2	31.0	50.4	63.3	84.3	17.1	23.8
Pro forma earnings per share	0.28	0.29	0.46	0.55	0.70	0.14	0.20
Pro forma weighted average common shares outstanding(3)	107.0	107.7	109.4	115.3	120.1	119.8	120.6

	MARCH 30, 1996		
	ACTUAL	AS ADJUSTED(4)	AS FURTHER ADJUSTED(4)(5)
BALANCE SHEET DATA:			
Working capital	$ 986.7	$ 826.7	$ 817.8
Total assets	2,819.0	2,659.0	2,659.0
Total debt(6)	810.3	651.3	388.2
Stockholders' equity	333.5	313.1	567.3

(1) The 1992 results reflect the adoption of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("FAS 109").

(2) Reflects a non-cash compensation charge of $6.7 million ($4.1 million, or $0.03 per share, net of tax) in connection with the granting of the Rollover Stock Options (as defined herein). See "The Split-Off -- The Exchange" and Note 11 of Notes to Consolidated Financial Statements.

(3) See Note 2 of Notes to Consolidated Financial Statements.

(4) As adjusted to reflect (i) a $20 million distribution payable to Ingram Industries in the second quarter of 1996 in connection with the Split-Off (resulting in a $20 million increase in total debt and a $20 million decrease in stockholders' equity); (ii) the assumption by the Company of the accounts receivable securitization program of Ingram Industries in partial satisfaction of amounts due to Ingram Industries (resulting in a $160 million decrease in each of working capital and total debt); (iii) the issuance of 2,775,000 redeemable shares of Class B Common Stock in the Employee Offering (as defined herein) (resulting in a $19 million increase in redeemable Class B Common Stock); and (iv) the repayment of $19 million of certain indebtedness with the net proceeds from the Employee Offering, as if such transactions had occurred on March 30, 1996.

(5) As further adjusted to give effect to the issuance of the Common Stock offered by the Company in this offering, the repayment of certain indebtedness with the estimated net proceeds therefrom, and the additional $8.9 million non-cash compensation charge related to certain Rollover Stock Options. See "Use of Proceeds," "Capitalization," and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

(6) Includes long-term debt, current maturities of long-term debt, and amounts due to Ingram Industries.

The Company

Ingram Micro is the leading wholesale distributor of microcomputer products worldwide. The Company markets microcomputer hardware, networking equipment, and software products to more than 105,000 reseller customers in approximately 120 countries worldwide in three principal market sectors: the VAR sector, consisting of value-added resellers, systems integrators, network integrators, application VARs, and original equipment manufacturers; the Commercial sector, consisting of corporate resellers, direct marketers, independent dealers, and owner-operated chains; and the Consumer sector, consisting of consumer electronics stores, computer superstores, mass merchants, office product superstores, software-only stores, and warehouse clubs. As a wholesale distributor, the Company markets its products to each of these types of resellers as opposed to marketing directly to end-user customers.

The Company conducts business with most of the leading resellers of microcomputer products around the world, including, in the United States, Ameridata, CDW Computer Centers, CompuCom, CompUSA, Computer City, Electronic Data Systems, En Pointe Technologies, Entex Information Services, Micro Warehouse, Sam's Club, Staples, and Vanstar. The Company's international reseller customers include Complet Data A/S, Consultores en Diagnostico Organizacional y de Sistemas, DSG Retail Ltd., 06 Software Centre Europe, B.V., GE Capital Technologies, Jump Ordenadores, Maxima S.A., Norsk Datasenter, Owell Svenska AB, SNI Siemens Nixdorf Infosys AG, and TC Sistema SPA.

Ingram Micro offers one-stop shopping to its reseller customers by providing a comprehensive inventory of more than 36,000 products from over 1,100 suppliers, including most of the microcomputer industry's leading hardware manufacturers, networking equipment suppliers, and software publishers. The Company's broad product offerings include: desktop and notebook personal computers ("PCs"), servers, and workstations; mass storage devices; CD-ROM drives; monitors; printers; scanners; modems; networking hubs, routers, and switches; network interface cards; business application software; entertainment software; and computer supplies. The Company's suppliers include Apple Computer, Cisco Systems, Compaq Computer, Creative Labs, Hewlett-Packard, IBM, Intel, Microsoft, NEC, Novell, Quantum, 3Com, Toshiba, and U.S. Robotics.

Ingram Micro distributes microcomputer products worldwide through warehouses in eight strategic locations in the continental United States and 21 international warehouses operated by its subsidiaries in Canada, Mexico, most countries of the European Union, Norway, Malaysia, and Singapore. The

Company believes that it is the market share leader in the U.S., Canada, and Mexico, and the second largest full-line distributor in Europe. In 1995, approximately 31% of the Company's net sales were derived from operations outside the U.S. The Export Division fulfills orders from U.S. exporters and from foreign customers in countries where the Company does not operate a distribution subsidiary, including much of Latin America, the Middle East, Africa, Australia, and parts of Europe and Asia. The Company participates in the master reseller business in the United States through Ingram Alliance Reseller Company ("Ingram Alliance").

The Company's principal objective is to enhance its position as the preeminent wholesale distributor of microcomputer products worldwide. The Company is focused on providing a broad range of products and services, quick and efficient order fulfillment, and consistent on-time and accurate delivery to its reseller customers around the world. The Company believes that IMpulse, the Company's on-line information system, provides a competitive advantage through real-time worldwide information access and processing capabilities. This information system, coupled with the Company's exacting operating procedures in telesales, credit support, customer service, purchasing, technical support, and warehouse operations, enables the Company to provide its reseller customers with superior service in an efficient and low cost manner. In addition, to enhance sales and support its suppliers and reseller customers, the Company provides a wide range of value-added services, such as technical training, order fulfillment, tailored financing programs, systems configuration, and marketing programs.

The Company has grown rapidly over the past five years, with net sales and net income increasing to $8.6 billion and $84.3 million, respectively, in 1995 from $2.0 billion and $30.2 million, respectively, in 1991, representing compound annual growth rates of 43.8% and 29.3%, respectively. The Company's growth during this period reflects substantial expansion of its existing domestic and international operations, resulting from the addition of new customers, increased sales to the existing customer base, the addition of new product categories and suppliers, and the establishment of Ingram Alliance, as well as the successful integration of ten acquisitions worldwide.

The Company is currently a subsidiary of Ingram Industries Inc. ("Ingram Industries"), a company controlled by Martha R. Ingram, her children, certain trusts created for their benefit, and two charitable trusts and a foundation created by the Ingram family (collectively, the "Ingram Stockholders"). Immediately prior to the closing of this offering, Ingram Industries will consummate a reorganization (the "Reorganization"), pursuant to which the Company, Ingram Industries, and a wholly-owned subsidiary of Ingram Industries, Ingram Entertainment Inc. ("Ingram Entertainment"), will allocate certain liabilities and obligations among themselves. In conjunction with the Reorganization, Ingram Industries will consummate an exchange (the "Exchange"), pursuant to which the existing stockholders of Ingram Industries will exchange all or a portion of their shares of Ingram Industries common stock for shares of Class B Common Stock of the Company or common stock of Ingram Entertainment, in specified ratios. Immediately after the Exchange and the closing of this offering, none of the Common Equity will be held by Ingram Industries. At such time, 69.0% of the outstanding Common Equity (and 80.0% of the outstanding voting power) will be held by the Ingram Stockholders (67.5% and 79.8%,

respectively, if the U.S. Underwriters' over-allotment option is exercised in full). The Exchange and the Reorganization, together with certain related transactions, are referred to herein as the "Split-Off." See "Principal Stockholders" and "The Split-Off."

The Company's earliest predecessor began business in 1979 as a California corporation named Micro D, Inc. This company, through a series of acquisitions and mergers, is now a subsidiary of Ingram Micro Holdings Inc. ("Holdings"), which has expanded through additional acquisitions and internal growth to encompass the Company's current operations. The Company was reincorporated in Delaware on April 29, 1996. Holdings is presently a wholly-owned subsidiary of the Company and will be merged into the Company prior to consummation of the Split-Off. The Company's principal executive office is located at 1600 East St. Andrew Place, Santa Ana, California 92705, and its telephone number is (714) 566-1000.

Risk Factors

In evaluating the Company's business, prospective investors should carefully consider the following factors in addition to the other information contained in this Prospectus.

Intense Competition. The Company operates in a highly competitive environment, both in the United States and internationally. The microcomputer products distribution industry is characterized by intense competition, based primarily on price, product availability, speed and accuracy of delivery, effectiveness of sales and marketing programs, credit availability, ability to tailor specific solutions to customer needs, quality and breadth of product lines and services, and availability of technical and product information. The Company's competitors include regional, national, and international wholesale distributors, as well as hardware manufacturers, networking equipment manufacturers, and software publishers that sell directly to resellers and large resellers who resell to other resellers. There can be no assurance that the Company will not lose market share in the United States or in international markets, or that it will not be forced in the future to reduce its prices in response to the actions of its competitors and thereby experience a further reduction in its gross margins. See "-- Narrow Margins" and "Business -- Competition."

The Company entered the "aggregator" or "master reseller" business by launching Ingram Alliance in late 1994. See "Business -- Ingram Alliance." The Company competes with other master resellers, which sell to groups of affiliated franchisees and third-party dealers. Many of the Company's competitors in the master reseller business are more experienced and have more established contacts with affiliated resellers, third-party dealers, or suppliers, which may provide them with a competitive advantage over the Company.

The Company is constantly seeking to expand its business into areas closely related to its core microcomputer products distribution business. As the Company enters new business areas, it may encounter increased competition from current competitors and/or from new competitors, some of which may be current customers of the Company. For example, the Company intends to distribute media in the new digital video disc format and may compete with traditional music and printed media

distributors. In addition, certain services the Company provides may directly compete with those provided by the Company's reseller customers. There can be no assurance that increased competition and adverse reaction from customers resulting from the Company's expansion into new business areas will not have a material adverse effect on the Company's business, financial condition, or results of operations.

Narrow Margins. As a result of intense price competition, the Company's margins have historically been narrow and are expected in the future to continue to be so. See "-- Intense Competition." These narrow margins magnify the impact on operating results of variations in operating costs. The Company's gross margins have declined from 8.1% for 1993 to 6.8% for the quarter ended March 30, 1996. The Company receives purchase discounts from suppliers based on a number of factors, including sales or purchase volume and breadth of customers. These purchase discounts directly affect gross margins. Because many purchase discounts from suppliers are based on percentage increases in sales of products, it may become more difficult for the Company to achieve the percentage growth in sales required for larger discounts due to the current size of the Company's revenue base. The Company's gross margins have been further reduced by the Company's entry into the master reseller business through Ingram Alliance, which has lower gross margins than the Company's traditional wholesale distribution business. See "--Risks Associated with Ingram Alliance" and "Business -- Ingram Alliance." The Company has taken a number of steps intended to address the challenges of declining gross margins, particularly by continually improving and enhancing its information systems and implementing procedures and systems designed to provide greater warehousing efficiencies and greater accuracy in shipping. However, there can be no assurance that these steps will prevent gross margins from continuing to decline. If the Company's gross margins continue to decline, the Company will be required to reduce operating expenses as a percentage of net sales further in order to maintain or increase its operating margins. While the Company will continue to explore ways to improve gross margins and reduce operating expenses as a percentage of net sales, there can be no assurance that the Company will be successful in such efforts or that the Company's margins will not decline in the future. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Fluctuations in Quarterly Results. The Company's quarterly net sales and operating results have varied significantly in the past and will likely continue to do so in the future as a result of seasonal variations in the demand for the products and services offered by the Company, the introduction of new hardware and software technologies and products offering improved features and functionality, the introduction of new products and services by the Company and its competitors, the loss or consolidation of a significant supplier or customer, changes in the level of operating expenses, inventory adjustments, product supply constraints, competitive conditions including pricing, interest rate fluctuations, the impact of acquisitions, currency fluctuations, and general economic conditions. The Company's narrow margins may magnify the impact of these factors on the Company's operating results.

Specific historical seasonal variations in the Company's operating results have included a reduction of demand in Europe during the summer months, increased Canadian government purchasing in the first quarter, and pre-holiday stocking in the retail channel during the September to November period. In

addition, as was the case with the introduction of Microsoft Windows 95 in August 1995, the product cycle of major products may materially impact the Company's business, financial condition, or results of operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Quarterly Data; Seasonality." Changes in supplier supported programs may also have a material impact on the Company's quarterly net sales and operating results. The Company may be unable to adjust spending sufficiently in a timely manner to compensate for any unexpected sales shortfall, which could materially adversely affect quarterly operating results. Accordingly, the Company believes that period-to-period comparisons of its operating results should not be relied upon as an indication of future performance. In addition, the results of any quarterly period are not indicative of results to be expected for a full fiscal year. In certain future quarters, the Company's operating results may be below the expectations of public market analysts or investors. In such event, the market price of the Common Stock would be materially adversely affected.

Capital Intensive Nature of Business; High Degree of Leverage. The Company's business requires significant levels of capital to finance accounts receivable and product inventory not financed by trade creditors. The Company is highly leveraged and has relied heavily on debt financing for its increasing working capital needs in connection with the expansion of its business. At December 30, 1995 and March 30, 1996, the Company's total debt was $850.5 million and $810.3 million, respectively, and represented 73.2% and 70.8%, respectively, of the Company's total capitalization. Pro forma for this offering and the application of the net proceeds therefrom, as of March 30, 1996, the Company's total debt as a percentage of total capitalization would have been 39.8% (35.7% assuming the U.S. Underwriters' over-allotment option is exercised in full). See "Use of Proceeds," "Capitalization," and "Management's Discussion and Analysis of Financial Condition and Results of Operations." In order to continue its expansion, the Company will need additional financing, including debt financing, which may or may not be available on terms acceptable to the Company, or at all. While a portion of the Company's historical financing needs has been satisfied through internally generated funds and trade creditors, a substantial amount has come from intercompany borrowings under debt facilities and an accounts receivable securitization facility maintained by Ingram Industries. No assurance can be given that the Company will continue to be able to borrow in adequate amounts for these or other purposes on terms acceptable to the Company, and the failure to do so could have a material adverse effect on the Company's business, financial condition, and results of operations.

In connection with the Split-Off, the Company is expected to enter into an amended $380 million credit facility (the "Amended Credit Facility") and assume certain debt of Ingram Industries. This indebtedness will replace intercompany borrowings from Ingram Industries. Although the terms of the Split-Off and the Amended Credit Facility have not been finally determined, it is currently contemplated that Ingram Industries and Ingram Entertainment will guarantee the Company's obligations under the Amended Credit Facility until such time as the Company has received at least $250 million in qualifying new equity, including net proceeds from this offering. Ingram Industries and Ingram Entertainment will receive a fee for such guarantees. The guarantee fees and the interest rates charged under the Amended Credit Facility will increase over time if the guarantees are not released. In addition, if the guarantees have not been released, the Company will be obligated to reimburse Ingram

Industries and Ingram Entertainment for their increased borrowing costs, if any, associated with the existence of such guarantees. The Company's ability in the future to satisfy its debt obligations and pay any related fees will be dependent upon its future performance, which is subject to prevailing economic conditions and financial, business, and other factors, including factors beyond the Company's control. See "-- Fluctuations in Quarterly Results," "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources," "Certain Transactions," and "The Split-Off -- The Reorganization."

Management of Growth. The rapid growth of the Company's business has required the Company to make significant recent additions in personnel and has significantly increased the Company's working capital requirements. Although the Company has experienced significant sales growth in recent years, such growth should not be considered indicative of future sales growth. Such growth has resulted in new and increased responsibilities for management personnel and has placed and continues to place a significant strain upon the Company's management, operating and financial systems, and other resources. There can be no assurance that the strain placed upon the Company's management, operating and financial systems, and other resources will not have a material adverse effect on the Company's business, financial condition, and results of operations, nor can there be any assurance that the Company will be able to attract or retain sufficient personnel to continue the expansion of its operations. Also crucial to the Company's success in managing its growth will be its ability to achieve additional economies of scale. There can be no assurance that the Company will be able to achieve such economies of scale, and the failure to do so could have a material adverse effect on the Company's business, financial condition, and results of operations.

To manage the expansion of its operations, the Company must continuously evaluate the adequacy of its management structure and its existing systems and procedures, including, among others, its data processing, financial, and internal control systems. When entering new geographic markets, the Company will be required to implement the Company's centralized IMpulse information processing system on a timely and cost-effective basis, hire personnel, establish suitable distribution centers, and adapt the Company's distribution systems and procedures to these new markets. There can be no assurance that management will adequately anticipate all of the changing demands that growth could impose on the Company's systems, procedures, and structure. In addition, the Company will be required to react to changes in the microcomputer distribution industry, and there can be no assurance that it will be able to do so successfully. Any failure to adequately anticipate and respond to such changing demands may have a material adverse effect on the Company's business, financial condition, or results of operations.

Dependence on Information Systems. The Company depends on a variety of information systems for its operations, particularly its centralized IMpulse information processing system which supports more than 40 operational functions including inventory management, order processing, shipping, receiving, and accounting. At the core of IMpulse is on-line, real-time distribution software which supports basic order entry and processing and customers' shipments and returns. The Company's information systems require the services of over 350 of the Company's associates with extensive knowledge of the Company's information systems and the business environment in which the Company operates. Any

failure or significant downtime of IMpulse or any of the Company's other information systems could prevent the Company from taking customer orders, printing product pick-lists, and/or shipping product and could prevent customers from accessing price and product availability information from the Company. In such event, the Company could be at a severe disadvantage in determining appropriate product pricing or the adequacy of inventory levels or in reacting to rapidly changing market conditions, such as a currency devaluation. A failure of the Company's information systems which impacts any of these functions could have a material adverse effect on the Company's business, financial condition, or results of operations. In addition, the inability of the Company to attract and retain the highly skilled personnel required to implement, maintain, and operate IMpulse and the Company's other information systems could have a material adverse effect on the Company's business, financial condition, or results of operations. In order to react to changing market conditions, the Company must continuously expand and improve IMpulse and its other information systems. From time to time the Company may acquire other businesses having information systems and records which must be converted and integrated into IMpulse or other Company information systems. This can be a lengthy and expensive process that results in a significant diversion of resources from other operations. The inability of the Company to convert the information systems of any acquired businesses to the Company's information systems and to train its information systems personnel in a timely manner and on a cost-effective basis could materially adversely affect the Company's business, financial condition, or results of operations. There can be no assurance that the Company's information systems will not fail, that the Company will be able to attract and retain qualified personnel necessary for the operation of such systems, that the Company will be able to expand and improve its information systems, or that the information systems of acquired companies will be successfully converted and integrated into the Company's information systems on a timely and cost-effective basis. See "Business -- Information Systems."

Exposure to Foreign Markets; Currency Risk. The Company, through its subsidiaries, operates in a number of countries outside the United States, including Canada, Mexico, most of the countries of the European Union, Norway, Malaysia, and Singapore. In 1994, 1995, and the first quarter of 1996, 29.3%, 30.7%, and 33.4%, respectively, of the Company's net sales were derived from operations outside of the United States, and the Company expects its international net sales to increase as a percentage of total net sales in the future. The Company's international net sales are primarily denominated in currencies other than the U.S. dollar. Accordingly, the Company's international operations impose risks upon its business as a result of exchange rate fluctuations. Although the Company attempts to mitigate the effect of exchange rate fluctuations on its business, primarily by attempting to match the currencies of sales and costs, as well as through the use of foreign currency borrowings and derivative financial instruments such as forward exchange contracts, the Company does not seek to remove all risk associated with such fluctuations. Accordingly, there can be no assurance that exchange rate fluctuations will not have a material adverse effect on the Company's business, financial condition, or results of operations in the future. In certain countries outside the United States, operations are accounted for primarily on a U.S. dollar denominated basis. In the event of an unexpected devaluation of the local currency in those countries, the Company may experience significant foreign exchange losses. For example, the devaluation of the Mexican peso, which began in

December 1994, significantly affected the Company's Mexican operations. The primary impact on the Company's operating results was a foreign exchange pre-tax charge of approximately $6.9 million and $7.8 million in 1994 and 1995, respectively. In addition, the Company's net sales in Mexico were adversely affected in 1995 as a result of the general economic impact of the devaluation of the Mexican peso. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

The Company's international operations are subject to other risks such as the imposition of governmental controls, export license requirements, restrictions on the export of certain technology, political instability, trade restrictions, tariff changes, difficulties in staffing and managing international operations, difficulties in collecting accounts receivable and longer collection periods, and the impact of local economic conditions and practices. As the Company continues to expand its international business, its success will be dependent, in part, on its ability to anticipate and effectively manage these and other risks. There can be no assurance that these and other factors will not have a material adverse effect on the Company's international operations or its business, financial condition, and results of operations as a whole.

Dependence on Key Individuals. The Company is dependent in large part on its ability to retain the services of its executive officers, especially Messrs. Jeffrey R. Rodek (President and Chief Operating Officer) and David R. Dukes (Vice Chairman of Ingram Micro and Chief Executive Officer of Ingram Alliance). The loss of any of the Company's executive officers could have a material adverse effect on the Company. The Company does not have employment contracts with most of its executive officers. See "Management." The Company's continued success is also dependent upon its ability to retain and attract other qualified employees to meet the Company's needs. See "Business."

Linwood A. (Chip) Lacy, Jr., the Company's Chief Executive Officer since 1985, resigned effective May 31, 1996. Pending appointment of a new Chief Executive Officer, John R. Ingram, Co-President of Ingram Industries, has been appointed acting Chief Executive Officer. Although the Company believes that one of its distinguishing characteristics is the strength of its senior and middle management personnel, there can be no assurance that the Company will not experience a material adverse effect on its business, financial condition, or results of operations as a result of the resignation of Mr. Lacy.

Product Supply; Dependence on Key Suppliers. The ability of the Company to obtain particular products or product lines in the required quantities and to fulfill customer orders on a timely basis is critical to the Company's success. In most cases, the Company has no guaranteed price or delivery agreements with its suppliers. As a result, the Company has experienced, and may in the future continue to experience, short-term inventory shortages. In addition, manufacturers who currently distribute their products through the Company may decide to distribute, or to substantially increase their existing distribution, through other distributors, their own dealer networks, or directly to resellers. Further, the personal computer industry experiences significant product supply shortages and customer order backlogs from time to time due to the inability of certain manufacturers to supply certain products on a timely basis. There can be no assurance that suppliers will be able to maintain an adequate supply of products to fulfill the Company's customer orders on a timely basis or that the Company will be able to obtain particular products or that a product line currently offered by suppliers

will continue to be available. The failure of the Company to obtain particular products or product lines in the required quantities or fulfill customer orders on a timely basis could have a material adverse effect on its business, financial condition, or results of operations.

Although Ingram Micro regularly stocks products and accessories supplied by over 1,100 suppliers, approximately 36.5%, 41.4%, 53.2%, and 54.4% of the Company's net sales in 1993, 1994, 1995, and the first quarter of 1996, respectively, were derived from products provided by its ten largest suppliers. In 1995, 23.4% of the Company's net sales were derived from sales of products from two suppliers (Microsoft and Compaq Computer). In the first quarter of 1996, 24.5% of the Company's net sales were derived from sales of products from Hewlett-Packard and Compaq Computer. Furthermore, certain of the Company's non-U.S. operations are even more dependent on a limited number of suppliers. In addition, many services that the Company provides to its reseller customers, such as financing and technical training, are dependent on supplier support. The loss of a major supplier, the deterioration of the Company's relationship with a major supplier, the loss or deterioration of supplier support for certain Company-provided services, the decline in demand for a particular supplier's product, or the failure of the Company to establish good relationships with major new suppliers could have a material adverse effect on the Company's business, financial condition, or results of operations. Such a loss, deterioration, decline, or failure could also have a material adverse effect on the sales by the Company of products provided by other suppliers. See "Business -- Products and Suppliers."

The Company's ability to achieve increases in net sales or to sustain current net sales levels depends in part on the ability and willingness of the Company's suppliers to provide products in the quantities the Company requires. Although the Company has written distribution agreements with many of its suppliers, these agreements usually provide for nonexclusive distribution rights and often include territorial restrictions that limit the countries in which Ingram Micro is permitted to distribute the products. The agreements are also generally short term, subject to periodic renewal, and often contain provisions permitting termination by either party without cause upon relatively short notice. The termination of an agreement may have a material adverse impact on the Company's business, financial condition, or results of operations.

Risks Associated with Ingram Alliance. Ingram Micro entered the master reseller (also known as "aggregation") business in late 1994 through the launch of Ingram Alliance. Ingram Alliance is designed to offer resellers access to products supplied by certain of the industry's leading hardware manufacturers at competitive prices by utilizing a low-cost business model that depends upon a higher average order size, lower product returns percentage, and supplier-paid financing. See "Business -- Ingram Alliance." The master reseller business is characterized by gross margins and operating margins that are even narrower than those of the U.S. microcomputer products wholesale distribution business and by competition based almost exclusively on price, programs, and execution. In the master reseller business, the Company has different supply arrangements and financing terms than in its traditional wholesale distribution business. There can be no assurance that the Company will be able to compete successfully in the master reseller business. A failure by Ingram Alliance to compete successfully could have a material adverse effect on the Company's business, financial condition, or results of operations.

A substantial portion of Ingram Alliance's net sales (approximately 89.9% during 1995 and 93.2% during the quarter ended March 30, 1996) is derived from the sale of products supplied by Compaq Computer, IBM, Toshiba, NEC, and Apple Computer. As a result, Ingram Alliance's business is dependent upon price and related terms and availability of products provided by these key suppliers. Although the Company considers Ingram Alliance's relationships with these suppliers to be good, there can be no assurance that these relationships will continue as presently in effect or that changes by one or more of such key suppliers in their volume discount schedules or other marketing programs would not adversely affect the Company's business, financial condition or results of operations. Termination or nonrenewal of Ingram Alliance's agreements with key suppliers would have a material adverse effect on the Company's business, financial condition, or results of operations.

Although the Company's wholesale distribution division sells Hewlett-Packard products, Ingram Alliance does not currently have authorization to sell Hewlett-Packard products in the master reseller market. Because of Hewlett-Packard's position as a major supplier of microcomputer hardware products, the Company believes that sales of Hewlett-Packard products likely account for a substantial portion of sales at Ingram Alliance's major competitors in the master reseller business. The inability to offer Hewlett-Packard products places Ingram Alliance at a competitive disadvantage to its competitors because it is unable to provide a full range of products to its customers. The continued inability of Ingram Alliance to receive authorization to sell Hewlett-Packard products could have a material adverse effect on Ingram Alliance's business, financial condition, or results of operations.

Acquisitions. As part of its growth strategy, the Company pursues the acquisition of companies that either complement or expand its existing business. As a result, the Company is continually evaluating potential acquisition opportunities, which may be material in size and scope. Acquisitions involve a number of risks and difficulties, including expansion into new geographic markets and business areas, the requirement to understand local business practices, the diversion of management's attention to the assimilation of the operations and personnel of the acquired companies, the integration of the acquired companies' management information systems with those of the Company, potential adverse short-term effects on the Company's operating results, the amortization of acquired intangible assets, and the need to present a unified corporate image.

The Company does not currently have any commitments or agreements with respect to any acquisitions. The Company is currently in active negotiations regarding a number of potential acquisitions or joint ventures. The Company anticipates that one or more potential acquisition opportunities, including some that could be material to the Company, may become available in the future. The Company may issue equity securities to consummate acquisitions, which may cause dilution to investors purchasing Common Stock in this offering. In addition, the Company may be required to utilize cash or increase its borrowings to consummate acquisitions. No assurance can be given that the Company will have adequate resources to consummate any acquisition, that any acquisition by the Company will or will not occur, that if any acquisition does occur it will not have a material adverse effect on the Company, its business, financial condition, or results of operations or that any such acquisition will be successful in enhancing the Company's business. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Risk of Declines in Inventory Value. The Company's business, like that of other wholesale distributors, is subject to the risk that the value of its inventory will be adversely affected by price reductions by suppliers or by technological changes affecting the usefulness or desirability of the products comprising the inventory. It is the policy of most suppliers of microcomputer products to protect distributors such as the Company, who purchase directly from such suppliers, from the loss in value of inventory due to technological change or the supplier's price reductions. Under the terms of many distribution agreements, suppliers will credit the distributor for inventory losses resulting from the supplier's price reductions if the distributor complies with certain conditions. In addition, under many such agreements, the distributor has the right to return for credit or exchange for other products a portion of the inventory items purchased, within a designated period of time. A supplier who elects to terminate a distribution agreement generally will repurchase from the distributor the supplier's products carried in the distributor's inventory. The industry practices discussed above are sometimes not embodied in written agreements and do not protect the Company in all cases from declines in inventory value. See "Business -- Products and Suppliers." No assurance can be given that such practices will continue, that unforeseen new product developments will not materially adversely affect the Company, or that the Company will be able to successfully manage its existing and future inventories. The Company's risk of declines in inventory value could be greater outside the United States where agreements with suppliers are more restrictive with regard to price protection and the Company's ability to return unsold inventory. Significant declines in inventory value could materially adversely affect the Company's business, financial condition, or results of operations.

The Company sometimes purchases from suppliers, usually at significant discounts, quantities of products that are nearing the end of their product life cycle. In addition, the Company's purchasing staff also seeks opportunities to purchase quantities of products from suppliers at discounts larger than those usually available. When the Company negotiates these purchases, it seeks to secure favorable terms for the return to suppliers of products unwanted by resellers and end-users. Because some of these purchase agreements contain terms providing for a 60-day time limit on returns to suppliers, end-user or reseller delays in returning the product to the Company may make it difficult for the Company to meet the deadline for returns to suppliers, and the Company could be left with unwanted product. Additionally, some suppliers may be unwilling or unable to pay the Company for products returned to them under purchase agreements, and this trend may accelerate as consolidation in the industry increases. For products offered by major suppliers, each of these events, were they to occur, could materially adversely impact the Company's business, financial condition, or results of operations.

Dependence on Independent Shipping Companies. The Company relies almost entirely on arrangements with independent shipping companies for the delivery of its products. Products are shipped from suppliers to the Company through Skyway Freight Systems, Yellow Freight Systems, APL Land Transport Services, and ABF Freight Systems. Currently, Federal Express Corporation ("FedEx"), United Parcel Service ("UPS"), Western Package Service, General Parcel Services, Roadway Parcel Services, and Purolator Courier deliver the substantial majority of the Company's products to its reseller customers in the U.S. and Canada. In other countries, the Company typically relies on one or two shipping companies prominent in local markets. The termination of the Company's arrangements

with one or more of these independent shipping companies, or the failure or inability of one or more of these independent shipping companies to deliver products from suppliers to the Company or products from the Company to its reseller customers or their end-user customers could have a material adverse effect on the Company's business, financial condition, or results of operations. For instance, an employee work stoppage or slow-down at one or more of these independent shipping companies could materially impair that shipping company's ability to perform the services required by the Company. There can be no assurance that the services of any of these independent shipping companies will continue to be available to the Company on terms as favorable as those currently available or that these companies will choose or be able to perform their required shipping services for the Company.

Rapid Technological Change; Alternate Means of Software Distribution. The microcomputer industry is subject to rapid technological change, new and enhanced product specification requirements, and evolving industry standards. These changes may cause inventory in stock to decline substantially in value or to become obsolete. In addition, suppliers may give the Company limited or no access to new products being introduced. Although the Company believes that it has adequate price protection and other arrangements with its suppliers to avoid bearing the costs associated with these changes, no assurance can be made that future technological or other changes will not have a material adverse effect on the business, financial condition, or results of operations of the Company. See "Business -- Products and Suppliers." Outside North America, the supplier contracts can be more restrictive and place more risks on the Company.

Net sales of software products have decreased as a percentage of total net sales in recent years due to a number of factors, including bundling of software with microcomputers; sales growth in Ingram Alliance, which is a hardware-only business; decline in software prices; and the emergence of alternative means of software distribution, such as site licenses and electronic distribution. The Company expects this trend to continue. See "Business -- Products and Suppliers" and "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Overview."

Relationship with Ingram Industries, Ingram Entertainment, and the Ingram Stockholders. The Company has historically depended on Ingram Industries and other subsidiaries of Ingram Industries for financing, cash management, tax and payroll administration, property/casualty insurance, employee benefits administration, and certain other administrative services. In conjunction with the Split-Off, the Company, Ingram Industries, and Ingram Entertainment will enter into agreements for the continued provision after the Split-Off of certain services formerly shared among such entities (collectively, the "Transitional Service Agreements"), as well as a tax sharing agreement. See "The Split-Off -- The Reorganization." The Company believes that the terms of the Transitional Service Agreements are on a basis at least as favorable to the Company as those that would have been obtained from third parties on an arm's length basis. The Company's historical financial statements reflect an allocation of expenses in connection with the services covered by the Transitional Service Agreements. Although the Company expects the costs and fees it will pay in connection with the Transitional Service Agreements to be higher than its historical allocated costs, it does not believe the increase in costs will be material to its results of operations. In addition, the Transitional Service Agreements terminate on December 31, 1996, although payroll services under the Transitional Service Agreements

will be provided through December 31, 1997. After such termination, the Company will be required to provide such services internally or find a third-party provider of such services. There can be no assurance that the Company will be able to secure the provision of such services on acceptable terms. Either the additional costs and fees associated with the Transitional Service Agreements or the failure to obtain acceptable provision of services upon termination of the Transitional Service Agreements could have a material adverse effect on the Company's business, financial condition, or results of operations.

Furthermore, the Company has incurred, and anticipates incurring in the future, higher payroll costs associated with the hiring of certain additional personnel and the addition of certain officers, previously paid by Ingram Industries, to the Company's payroll. Additionally, under the Amended Credit Facility, until such time as the Company has received at least $250 million in qualifying new equity, including proceeds from this offering, the Company will be required to make payments to Ingram Industries and Ingram Entertainment in return for their guarantee of the Company's obligations under the Amended Credit Facility. In addition, the Company will be obligated to reimburse Ingram Industries and Ingram Entertainment for their increased borrowing costs, if any, associated with the existence of such guarantees. There can be no assurance that the Company's results of operations will not be materially adversely affected by such additional costs. See "-- Capital Intensive Nature of Business; High Degree of Leverage," "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources," "Certain Transactions," and "The Split-Off -- The Reorganization."

In connection with the Split-Off, the Company made a $20 million distribution payable to Ingram Industries in the second quarter of 1996. Additionally, the Company may declare a dividend, in an amount to be determined prior to the Split-Off, to Ingram Industries and other holders of Class B Common Stock. The Company does not expect the dividend to be material in relation to the Company's stockholders' equity.

Control by Ingram Stockholders. Immediately after the Exchange and the closing of this offering, 69.0% of the outstanding Common Equity (and 80.0% of the outstanding voting power) will be held by the Ingram Stockholders (67.5% and 79.8%, respectively, if the U.S. Underwriters' over-allotment option is exercised in full). The Ingram Stockholders are expected to enter into a Board Representation Agreement (as defined herein) with the Company, which provides that certain types of corporate transactions, including transactions involving the potential sale or merger of the Company; the issuance of additional equity, warrants, or options; or the incurrence of significant indebtedness, may not be approved without the written consent of at least a majority of the voting power held by the Ingram Stockholders acting in their sole discretion. See "The Split- Off," "Principal Stockholders," and "Description of Capital Stock."

Voting control by the Ingram Stockholders may discourage certain types of transactions involving an actual or potential change of control of the Company, including transactions in which the holders of the Company's Common Stock might receive a premium for their shares over the prevailing market price of the Common Stock.

Shares Eligible for Future Sale. Upon completion of this offering, the Company will have outstanding 20,000,000 shares of Common Stock (23,000,000 shares if the U.S. Underwriters' over-allotment option is exercised in full) and 110,882,000 shares of Class B Common Stock, and an additional 15,900,000 shares of Class B Common Stock will be reserved for issuance upon exercise of stock options held or to be held by employees of the Company, Ingram Industries, and Ingram Entertainment. See "Management." The 20,000,000 shares of Common Stock to be sold by the Company in this offering will be freely tradeable without restriction. The Company, its directors, certain of its executive officers, and certain stockholders of the Company have agreed, subject to certain exceptions, not to offer, sell, contract to sell or otherwise dispose of any Common Equity for a period of 180 days after the date of this Prospectus without the prior written consent of Morgan Stanley & Co. Incorporated. Despite these limitations, the sale of a significant number of these shares could have an adverse impact on the price of the Common Stock or on any trading market that may develop. See "Shares Eligible for Future Sale."

Absence of Public Market; Possible Volatility of Stock Price. Prior to this offering, there has been no public market for the Common Stock or the Class B Common Stock. There can be no assurance that an active trading market for the Common Stock will develop, or, if one does develop, that it will be sustained following this offering or that the market price of the Common Stock will not decline below the initial public offering price. The initial public offering price will be determined by negotiations between the Company and the Representatives of the Underwriters. See "Underwriters -- Pricing of Offering." The market price of the Common Stock could be subject to wide fluctuations in response to quarterly variations in the Company's results of operations, changes in earnings estimates by research analysts, conditions in the personal computer industry, or general market or economic conditions, among other factors. In addition, in recent years the stock market has experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on the market prices of many technology companies, often unrelated to the operating performance of the specific companies. Such market fluctuations could materially adversely affect the market price for the Common Stock.

Dilution. The initial public offering price of the shares of Common Stock offered hereby will be substantially higher than the net tangible book value per share of the Common Equity. Therefore, purchasers of the Common Stock offered hereby will experience an immediate and substantial dilution in net tangible book value per share. See "Dilution."

Use of Proceeds

The net proceeds to the Company from this offering, after deducting estimated underwriting discounts and commissions and estimated offering expenses, are assumed to be approximately $263.1 million ($302.8 million if the U.S. Underwriters' over-allotment option is exercised in full). At March 30, 1996, the Company had total outstanding debt of $810.3 million, of which $617.9 million was due to Ingram Industries. In connection with the Split-Off, prior to the closing of this offering, the Company is expected to enter into an Amended Credit Facility and assume certain debt of Ingram Industries. This indebtedness will replace intercompany borrowings from Ingram Industries, which intercompany

indebtedness was incurred for general corporate purposes, primarily working capital needs in connection with the expansion of the Company's business. The Company intends to use all of the proceeds from this offering to repay certain revolving indebtedness under the Amended Credit Facility ($375 million pro forma at March 30, 1996 to give effect to the Split-Off). See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources" and Note 6 of Notes to Consolidated Financial Statements.

Dividend Policy

The Company has never declared or paid any dividends on the Common Equity other than the distribution made to Ingram Industries in connection with the Split-Off. See "Risk Factors--Relationship with Ingram Industries, Ingram Entertainment, and the Ingram Stockholders." The Company currently intends to retain its future earnings to finance the growth and development of its business and therefore does not anticipate declaring or paying cash dividends on the Common Equity for the foreseeable future other than a dividend that may be paid to Ingram Industries and the other holders of Class B Common Stock in connection with the closing of the Split-Off. Any future determination to declare or pay dividends will be at the discretion of the Board of Directors and will be dependent upon the Company's financial condition, results of operations, capital requirements, and such other factors as the Board of Directors deems relevant. In addition, the Amended Credit Facility and the Company's other debt facilities will contain restrictions on the declaration and payment of dividends.

Capitalization

The following table sets forth, as of March 30, 1996, (i) the actual short-term debt and capitalization of the Company, (ii) such short-term debt and capitalization as adjusted to give effect to the Split-Off (as if the Company had been organized as of such date), and (iii) such as adjusted short-term debt and capitalization as further adjusted to reflect the sale of the shares of Common Stock offered by the Company hereby at an assumed initial public offering price of $14.00 per share (after deducting estimated underwriting discounts and commissions and estimated offering expenses) and the application of the estimated net proceeds therefrom. See "Use of Proceeds."

	MARCH 30, 1996		
	ACTUAL	AS ADJUSTED(1)	AS FURTHER ADJUSTED(1)(2)
	(IN THOUSANDS, EXCEPT SHARE DATA)		
Short-term debt:			
Current maturities of long-term debt	$ 14,234	$ 14,234	$ 14,234
Long-term debt:			
Long-term debt	$ 178,216	$ 637,053	$373,953
Due to Ingram Industries	617,862	0	0
Total long-term debt	796,078	637,053	373,953
Redeemable Class B Common Stock	0	19,425	19,425
Stockholders' equity(3):			

Class A Common Stock, $0.01 par value; 265,000,000 shares authorized; 0, 0, and 20,000,000 shares issued and outstanding, respectively	0	0	200
Class B Common Stock, $0.01 par value; 135,000,000 shares authorized; 0, 110,882,000, and 110,882,000 shares issued and outstanding, respectively (including 2,775,000 redeemable shares)	0	1,081	1,081
Common Stock, $0.20 par value; 60,000,000 shares authorized; 10,000,000, 0, and 0 shares issued and outstanding, respectively	2,000	0	0
Additional paid in capital	21,500	22,768	285,668
Retained earnings	305,951	285,951	277,051
Cumulative translation adjustment	4,089	4,089	4,089
Unearned compensation	0	(749)	(749)
Total stockholders' equity	333,540	313,140	567,340
Total capitalization	$1,129,618	$ 969,618	$960,718

(1) As adjusted to reflect (i) changes in Common Stock and Class B Common Stock as a result of the Delaware reincorporation of the Company (the conversion of Common Stock into Class B Common Stock, the increase in the number of shares outstanding from 10,000,000 to 108,000,000, and the decrease in par value from $.20 per share to $.01 per share); (ii) a $20 million distribution payable to Ingram Industries in the second quarter of 1996 in connection with the Split-Off (resulting in a $20 million increase in amounts due to Ingram Industries and a $20 million decrease in stockholders' equity); (iii) the issuance of 2,775,000 redeemable shares of Class B Common Stock in the Employee Offering and the grant of 107,000 restricted shares of Class B Common Stock (unearned compensation) concurrently therewith; (iv) the repayment of $19 million in long-term debt with the net proceeds from the Employee Offering; and (v) after consideration of (ii), (iii), and (iv), the assumption by the Company of certain debt facilities and the accounts receivable program of Ingram Industries in satisfaction of amounts due to Ingram Industries (resulting in an increase of $459 million in long-term debt, a decrease of $619 million in amounts due to Ingram Industries, and a $160 million decrease in trade accounts receivable, not reflected in this table), as if such transactions had occurred on March 30, 1996.

(2) As further adjusted to give effect to the issuance of the Common Stock offered by the Company in this offering at an assumed initial public offering price of $14.00 per share (after deducting estimated underwriting discounts and commissions and estimated offering expenses in connection with this offering) and the repayment of certain revolving indebtedness outstanding under the Amended Credit Facility ($375 million pro forma at March 30, 1996 to give effect to the Split-Off) with the net proceeds therefrom, and the additional $8.9 million non-cash charge related to certain Rollover Stock Options. See "Use of Proceeds."

(3) Excludes currently outstanding options issued under the Company's 1996 Plan and Rollover Plan (each as defined herein), to purchase an aggregate of 15,900,000 shares of Class B Common Stock at a weighted average exercise price of $3.42 per share. See "Management -- 1996 Plan" and "Management -- Rollover Plan; Incentive Stock Units."

Dilution

The pro forma net tangible book value of the Common Equity of the Company as of March 30, 1996 was $302.5 million or $2.73 per share of Common Equity (as adjusted to give effect to the Employee Offering, the grant of 107,000 restricted shares of Class B Common Stock, and the Split-Off). Net tangible book value represents the amount of total tangible assets less total liabilities.

Dilution per share to new investors represents the difference between the amount per share paid by purchasers of Common Stock in the offering made hereby and the pro forma net tangible book value per share of Common Equity immediately after the closing of this offering. After giving effect to the sale of 20,000,000 shares of Common Stock offered hereby by the Company at an assumed initial public offering price of $14.00 per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses and the application of the estimated net proceeds therefrom, the pro forma net tangible book value of the Company as of March 30, 1996 would have been $556.7 million or $4.25 per share of Common Equity. This represents an immediate increase in net tangible book value of $1.52 per share of Common Equity to existing stockholders and an immediate dilution of $9.75 per share of Common Equity to purchasers of Common Stock in this offering. The following table illustrates the per share dilution to new investors:

Assumed initial public offering price per share		$14.00
Net tangible book value per share of Common Equity as of March 30, 1996, as adjusted	$2.73	
Increase attributable to new investors	1.52	
Net tangible book value per share of Common Equity after this offering		4.25
Dilution per share of Common Equity to new investors		$ 9.75

The following table summarizes, on a pro forma basis to give effect to the Employee Offering, the grant of 107,000 restricted shares of Class B Common Stock, and the Split-Off, as of March 30, 1996, the difference (before deducting estimated underwriting discounts and commissions and estimated offering expenses) between existing stockholders and the purchasers of shares of Common Stock in this offering (at an assumed initial public offering price of $14.00 per share) with respect to: (i) the number of shares of Common Equity purchased from the Company; (ii) the effective cash consideration paid; and (iii) the average price paid per share of Common Equity.

	SHARES PURCHASED		TOTAL CONSIDERATION		AVERAGE PRICE
	NUMBER	PERCENT	AMOUNT	PERCENT	PER SHARE
Existing stockholders(1)	110,882,000	84.7%	$ 85,586,000	23.4%	$ 0.77
New investors	20,000,000	15.3	280,000,000	76.6	14.00
Total	130,882,000	100.0%	$365,586,000	100.0%	

(1) Excludes currently outstanding options issued under the Company's 1996 Plan and Rollover Plan, to purchase an aggregate of 15,900,000 shares of Class B Common Stock at a weighted average exercise price of $3.42 per share. To the extent any of these options are exercised, there will be further dilution to new investors. See "Management -- 1996 Plan" and "-- Rollover Plan; Incentive Stock Units."

Selected Consolidated Financial Data

The following table presents selected consolidated financial data of the Company. The information set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical consolidated financial statements and notes thereto included elsewhere in this Prospectus. The consolidated statement of income data set forth below for each of the three years in the period ended December 30, 1995 and the consolidated balance sheet data at December 31, 1994 and December 30, 1995 are derived from, and are qualified by reference to, the audited consolidated financial statements included elsewhere in this Prospectus, and should be read in conjunction with those financial statements and the notes thereto. The consolidated balance sheet data as of January 1, 1994 are derived from the audited consolidated balance sheet of the Company as of January 1, 1994, which is not included in this Prospectus. The consolidated statement of income data for each of the two years in the period ended January 2, 1993 and the consolidated balance sheet data as of December 28, 1991 and January 2, 1993 are derived from unaudited consolidated financial statements not included in this Prospectus. The consolidated financial data as of and for the quarter ended April 1, 1995, and as of and for the quarter ended March 30, 1996, have been derived from unaudited consolidated financial statements of the Company which are included in this Prospectus and which, in the opinion of the Company, reflect all adjustments, consisting only of adjustments of a normal and recurring nature, necessary for a fair presentation. Results for the quarter ended March 30, 1996 are not necessarily indicative of results for the full year. The historical consolidated financial data may not be indicative of the Company's future performance and do not necessarily reflect what the financial position and results of operations of the Company would have been had the Company operated as a separate, stand-alone entity during the periods covered. See "Consolidated Financial Statements."

	FISCAL YEAR					THIRTEEN WEEKS ENDED	
INCOME STATEMENT DATA:	1991	1992	1993	1994	1995	APRIL 1, 1995	MARCH 30, 1996
	(IN THOUSANDS, EXCEPT PER SHARE DATA)						
Net sales	$2,016,586	$2,731,272	$4,044,169	$5,830,199	$8,616,867	$1,879,530	$2,752,735
Cost of sales	1,831,140	2,503,702	3,714,527	5,391,224	8,011,181	1,747,135	2,566,170
Gross profit	185,446	227,570	329,642	438,975	605,686	132,395	186,565
Expenses:							
Selling, general and administrative	116,793	157,306	225,047	296,330	415,344	93,103	123,304
Charges allocated from Ingram Industries	1,030	1,330	1,567	2,355	3,461	825	1,583
Non-cash compensation charge	0	0	0	0	0	0	6,745(2)

	117,823	158,636	226,614	298,685	418,805	93,928	131,632(2)
Income from operations	67,623	68,934	103,028	140,290	186,881	38,467	54,933(2)
Other (income) expense:							
Interest income	(256)	(103)	(407)	(937)	(3,479)	(1,223)	(340)
Interest expense	3,233	5,556	5,003	8,744	13,451	2,866	3,926
Interest expense charged by Ingram Industries	11,859	12,405	16,089	24,189	32,606	8,087	10,635
Net foreign currency exchange loss	0	0	111	6,873	7,751	3,717	226
Other	324	2,574	(623)	716	1,936	769	876
	15,160	20,432	20,173	39,585	52,265	14,216	15,323
Income before income taxes and minority interest	52,463	48,502	82,855	100,705	134,616	24,251	39,610(2)
Provision for income taxes	22,286	17,529	31,660	39,604	53,143	9,572	15,853
Income before minority interest	30,177	30,973	51,195	61,101	81,473	14,679	23,757(2)
Minority interest	0	0	840	(2,243)	(2,834)	(2,434)	(72)
Net income(1)	$ 30,177	$ 30,973	$ 50,355	$ 63,344	$ 84,307	$ 17,113	$ 23,829(2)
Pro forma earnings per share	$ 0.28	$ 0.29	$ 0.46	$ 0.55	$ 0.70	$ 0.14	$ 0.20
Pro forma weighted average common shares outstanding	106,989	107,746	109,354	115,321	120,065	119,839	120,586

	DECEMBER 28, 1991	JANUARY 2, 1993	JANUARY 1, 1994	DECEMBER 31, 1994	DECEMBER 30, 1995	MARCH 30, 1996
BALANCE SHEET DATA:						
				(IN THOUSANDS)		
Cash	$ 15,510	$ 25,276	$ 44,391	$ 58,369	$ 56,916	$ 37,575
Working capital	288,462	334,913	471,616	663,049	1,019,639	986,664
Total assets	670,649	915,590	1,296,363	1,974,289	2,940,898	2,819,030
Total debt(3)	244,785	295,389	398,929	552,283	850,548	810,312
Stockholder's equity	78,972	109,418	155,459	221,344	310,795	333,540

(1) The 1992 results reflect the adoption of FAS 109.

(2) Reflects a non-cash compensation charge of $6.7 million ($4.1 million, or $0.03 per share, net of tax) in connection with the granting of Rollover Stock Options. See Note 11 of Notes to Consolidated Financial Statements.

(3) Includes long-term debt, current maturities of long-term debt, and amounts due to Ingram Industries.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Ingram Micro is the leading wholesale distributor of microcomputer products worldwide. The Company's net sales have grown to $8.6 billion in 1995 from $2.0 billion in 1991. This sales growth reflects substantial expansion of its existing domestic and international operations, resulting from the addition of new customers, increased sales to the existing customer base, the addition of new product categories and suppliers, and the establishment of Ingram Alliance, as well as the successful integration of ten acquisitions worldwide. Net income has grown to $84.3 million in 1995 from $30.2 million in 1991.

The microcomputer wholesale distribution industry in which the Company operates is characterized by narrow gross and operating margins, which have declined industry-wide in recent years, primarily due to intense price competition. The Company's gross margins declined to 7.0% in 1995 from 9.2% in 1991. To partially offset the decline in gross margins, the Company has continually instituted operational and expense controls which have reduced selling, general, and administrative ("SG&A") expenses (including charges allocated from Ingram Industries) as a percentage of net sales to 4.8% in 1995 from 5.8% in 1991. As a result, the Company's operating margins and net margins have declined less than gross margins. Operating margins declined to 2.2% in 1995 from 3.4% in 1991, and net margins declined to 1.0% in 1995 from 1.5% in 1991. There can be no assurance that the Company will be able to continue to reduce operating expenses as a percentage of net sales to mitigate further reductions in gross margins. See "Risk Factors -- Narrow Margins."

Ingram Micro entered the master reseller (also known as "aggregation") business in late 1994 through the launch of Ingram Alliance. Ingram Alliance is designed to offer resellers access to certain of the industry's leading hardware manufacturers at competitive prices by utilizing a lower cost business model that depends upon a higher average order size, lower product returns percentage, and supplier-paid financing. In 1995, Ingram Alliance contributed over $700 million of net sales to the Company. Since its inception in late 1994, Ingram Alliance has operated with lower gross margins, lower SG&A expenses as a percentage of net sales, and lower financing costs than the Company's traditional wholesale distribution business. Accordingly, if Ingram Alliance's sales continue to grow as a percentage of the Company's total net sales, the Company expects such increase to cause its overall gross margins to decline.

The Company sells microcomputer hardware, networking equipment, and software products. Sales of hardware products (including networking equipment) represent a majority of total net sales and have historically generated a higher operating margin than sales of software products. Hardware and networking equipment have comprised an increasing percentage, and software products a decreasing percentage, of the Company's net sales in recent years, and the Company expects this trend to continue.

Historically, the Company's sources of capital have primarily been borrowings from Ingram Industries through debt facilities maintained by Ingram Industries and guaranteed by the Company. In connection with the Split-Off, substantially all of the debt facilities guaranteed by the Company will be assumed by the Company in satisfaction of amounts due to Ingram Industries. The Company has historically depended on Ingram Industries and other subsidiaries of Ingram Industries for financing, management, tax and payroll administration, property/casualty insurance, employee benefits administration, and certain other administrative services. In conjunction with the Split-Off, the Company, Ingram Industries, and Ingram Entertainment will enter into the Transitional Service Agreements, as well as a tax sharing agreement. See "The Split-Off -- The Reorganization." The Company believes that the terms of the Transitional Service Agreements will be on a basis at least as favorable to the Company as those that would have been obtained from third parties on an arm's length basis. The Company's historical financial statements reflect an allocation of expenses in connection with the services covered by the Transitional Service Agreements. Although the Company expects the costs and fees to be paid by it in connection with the Transitional Service Agreements to be higher than its historical allocated costs, it does not believe the increase in costs will be material to its results of operations. On a long-term basis, the Company will be required to hire personnel to perform such services or contract with one or more independent third parties to provide such services. See "Risk Factors -- Relationship with Ingram Industries, Ingram Entertainment, and the Ingram Stockholders."

The microcomputer wholesale distribution business is capital intensive, and the Company will need additional capital to finance its product inventory and accounts receivable as it expands its business. The Company's interest expense for any current or future indebtedness will be subject to fluctuations in interest rates and may cause fluctuations in the Company's net income. In connection with the Split-Off, the Company will assume Ingram Industries' accounts receivable securitization program, and financing costs associated with this program will be classified as other expense. Prior to the Split-Off, such expenses were reflected as interest expense charged by Ingram Industries. While this structure will not increase the Company's cost of financing, this change in the classification of financing costs will result in an increase in the Company's other expenses and a corresponding decrease in its interest expense.

In connection with the Split-Off, certain outstanding Ingram Industries options, incentive stock units ("ISUs"), and stock appreciation rights ("SARs") held by certain employees of Ingram Industries, Ingram Entertainment, and Ingram Micro will be converted to options to purchase up to an aggregate of approximately 11,000,000 shares of Class B Common Stock ("Rollover Stock Options"). See "Management -- Rollover Plan; Incentive Stock Units." The Company has recorded a pre-tax non-cash compensation charge of approximately $6.7 million ($4.1 million net of tax) in the first quarter of 1996 related to the vested portion of certain of the Rollover Stock Options as the terms and grants of the Rollover Stock Options were established at that time. This charge was based on the difference between the estimated fair value of such options in the first quarter of 1996 and the exercise price of such options or SARs. In addition, at the time of this offering, the Company will be required by applicable accounting rules to record a non-cash compensation charge with respect to the vested portion of approximately 1,300,000 formula plan Rollover Stock Options included in the 11,000,000

shares. This non-cash charge is expected to be approximately $8.9 million based on the difference between the average exercise price of $2.50 per share and $14.00 per share, the assumed initial public offering price of the Common Stock. The Company will be required by applicable accounting rules to record additional non-cash compensation charges over the remaining vesting periods of the Rollover Stock Options. The Company expects these additional charges to be $4.2 million ($3.0 million net of tax) in the aggregate for the second, third, and fourth quarters of 1996, $6.6 million ($5.2 million net of tax) for 1997 and $4.4 million ($3.3 million net of tax) for 1998.

Results of Operations

The following table sets forth the Company's net sales by geographic region (excluding intercompany sales), and the percentage of total net sales represented thereby, for each of the periods indicated.

	FISCAL YEAR						THIRTEEN WEEKS ENDED			
	1993		1994		1995		APRIL 1, 1995		MARCH 30, 1996	
	(DOLLARS IN MILLIONS)									
NET SALES BY GEOGRAPHIC REGION(1):										
United States	$ 3,118	77.1%	$ 4,122	70.7%	$ 5,970	69.3%	$ 1,255	66.8%	$ 1,834	66.6%
Europe	485	12.0	1,078	18.5	1,849	21.4	437	23.2	633	23.0
Other international	441	10.9	630	10.8	798	9.3	188	10.0	286	10.4
Total	$ 4,044	100.0%	$ 5,830	100.0%	$ 8,617	100.0%	$ 1,880	100.0%	$ 2,753	100.0%

(1) Net sales are classified by location of the Company entity. For example, products sold through Ingram Alliance or the U.S. Export Division are classified as United States sales.

The following table sets forth certain items from the Company's Consolidated Statement of Income as a percentage of net sales, for each of the periods indicated.

	PERCENTAGE OF NET SALES				
	FISCAL YEAR			THIRTEEN WEEKS ENDED	
	1993	1994	1995	APRIL 1, 1995	MARCH 30, 1996
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	91.9	92.5	93.0	93.0	93.2
Gross profit	8.1	7.5	7.0	7.0	6.8
Expenses:					
SG&A expenses and charges allocated from Ingram Industries	5.6	5.1	4.8	5.0	4.5
Non-cash compensation charge	0.0	0.0	0.0	0.0	0.3
Income from operations	2.5	2.4	2.2	2.0	2.0
Other expense, net	0.5	0.7	0.6	0.7	0.6
Income before income taxes and minority interest	2.0	1.7	1.6	1.3	1.4
Provision for income taxes	0.8	0.6	0.6	0.5	0.6
Minority interest	0.0	0.0	0.0	(0.1)	0.0
Net income	1.2%	1.1%	1.0%	0.9%	0.8%

First Quarter 1996 Compared to First Quarter 1995

Consolidated net sales increased 46.5% to $2.8 billion in the first quarter of 1996 from $1.9 billion in the first quarter of 1995. The increase in worldwide net sales was attributable to growth in the microcomputer products industry in general, the addition of new customers, increased sales to the existing customer base, and expansion of the Company's product offerings.

Net sales from U.S. operations increased 46.2% to $1.8 billion in the first quarter of 1996 from $1.3 billion in the first quarter of 1995. In addition to the factors above that impacted net sales worldwide, U.S. net sales were positively impacted by the strong growth in Ingram Alliance sales. Net sales from European operations increased 44.8% to $632.8 million in the first quarter of 1996 from $437.1 million in the first quarter of 1995. Other international net sales increased 52.1% to $285.7 million in the first quarter of 1996 from $187.9 million in the first quarter of 1995, principally due to the growth in net sales from the Company's Canadian operations. In the first quarter of 1996, net sales from U.S. operations accounted for 66.6% of consolidated net sales, net sales from European operations accounted for 23.0% of consolidated net sales, and other international net sales accounted for 10.4% of consolidated net sales. In the first quarter of 1995, net sales from U.S. operations accounted for 66.8% of consolidated net sales, net sales from European operations accounted for 23.2% of consolidated net sales, and other international net sales accounted for 10.0% of consolidated net sales.

Cost of sales as a percentage of net sales increased to 93.2% in the first quarter of 1996 from 93.0% in the first quarter of 1995. This increase was largely attributable to competitive pricing pressures, especially in Europe, and the increase as a percentage of net sales of the lower gross margin Ingram Alliance business. An increase in worldwide purchase discounts from the Company's suppliers in the first quarter of 1996 partially offset the increase in cost of sales.

Total SG&A expenses and charges allocated from Ingram Industries increased 33.0% to $124.9 million in the first quarter of 1996 from $93.9 million in the first quarter of 1995, but decreased as a percentage of net sales to 4.5% in the first quarter of 1996 from 5.0% in the first quarter of 1995. The increased level of spending was attributable to expenses required to support expansion of the Company's business, consisting primarily of incremental personnel and support costs, lease payments relating to new operating facilities, and expenses associated with the development and maintenance of information systems. The decrease in operating expenses as a percentage of net sales was primarily attributable to the growth of Ingram Alliance, which utilizes a lower cost business model, and economies of scale from higher sales volumes.

During the first quarter of 1996, the Company recorded a non-cash compensation charge of $6.7 million or 0.3% of net sales in connection with the Rollover Stock Options. The Company did not record any such charge during the first quarter of 1995.

Excluding the $6.7 million non-cash compensation charge in the first quarter of 1996, total income from operations increased as a percentage of net sales to 2.3% in the first quarter of 1996 from 2.0% in the first quarter of 1995. Income from operations in the U.S. and Europe decreased as a percentage of net sales in the first quarter of 1996 compared to the first quarter of 1995, including a decrease to 2.6%

from 2.7% in the U.S., and a decrease to 1.1% from 1.3% in Europe. These decreases were offset by an increase in income from operations as a percentage of net sales for geographic regions outside the U.S. and Europe to 2.5% in the first quarter of 1996 from a loss of 0.4% in the first quarter of 1995. The first quarter of 1995 included the negative impact of an inventory valuation loss related to the decline in value of the Mexican peso and the associated impact on the Mexican economy.

Income from operations, including the $6.7 million non-cash compensation charge, remained constant as a percentage of net sales at 2.0%.

Other expense, net, which consists primarily of net interest expense (including interest charged by Ingram Industries) and foreign currency exchange losses, increased 7.8% to $15.3 million in the first quarter of 1996 from $14.2 million in the first quarter of 1995, but declined as a percentage of net sales to 0.6% in the first quarter of 1996 from 0.7% in the first quarter of 1995. The increase in other expense was largely attributable to a higher level of borrowings to finance the Company's worldwide business expansion, partially offset by a year-over-year decrease in the amount of foreign currency losses which were primarily related to the Mexican peso devaluation.

The provision for income taxes increased 65.6% to $15.9 million in the first quarter of 1996 from $9.6 million in the first quarter of 1995, reflecting the 63.3% increase in the Company's income before income taxes and minority interest. The Company's effective tax rate was 40.0% in the first quarter of 1996 compared to 39.5% in the first quarter of 1995.

Excluding the $4.1 million (net of tax) non-cash compensation charge, net income increased 63.3% to $27.9 million in the first quarter of 1996 from $17.1 million in the first quarter of 1995 and, as a percentage of net sales, increased to 1.0% in the first quarter of 1996 from 0.9% in the first quarter of 1995. Net income, including the $4.1 million (net of tax) non-cash compensation charge, decreased as a percentage of net sales to 0.8% in the first quarter of 1996 from 0.9% in the first quarter of 1995.

1995 Compared to 1994

Consolidated net sales increased 47.8% to $8.6 billion in 1995 from $5.8 billion in 1994. The increase in worldwide net sales was attributable to growth in the microcomputer products industry in general, the addition of new customers, increased sales to the existing customer base, and expansion of the Company's product offerings, as well as to the release of significant new products, including the Microsoft Windows 95 operating system in August 1995.

Net sales from U.S. operations increased 44.8% to $6.0 billion in 1995 from $4.1 billion in 1994. The increase in U.S. net sales was largely attributable to the growth of Ingram Alliance in 1995, its first full year of operations, as well as an increase in the Company's customer base and product lines. Net sales from European operations increased 71.5% to $1.8 billion in 1995 from $1.1 billion in 1994. In addition to factors affecting sales worldwide, European net sales were positively impacted by the full year contribution in 1995 of the Company's Scandinavian operations, which were acquired in September 1994. Other international net sales increased 26.7% to $798.0 million in 1995 from $629.6 million in 1994. The increase in net sales from other international operations was entirely attributable

to an increase in Canadian sales, partially offset by a decrease in Mexican net sales resulting from the distressed Mexican economy and the related peso devaluation. In 1995, net sales from U.S. operations accounted for 69.3% of consolidated net sales, net sales from European operations accounted for 21.4% of consolidated net sales, and other international net sales accounted for 9.3% of consolidated net sales. In 1994, net sales from U.S. operations accounted for 70.7% of consolidated net sales, net sales from European operations accounted for 18.5% of consolidated net sales, and other international net sales accounted for 10.8% of consolidated net sales.

Cost of sales as a percentage of net sales increased to 93.0% in 1995 from 92.5% in 1994. This increase was largely attributable to competitive pricing pressures worldwide and the growth of Ingram Alliance, which is characterized by lower gross margins than the Company's traditional wholesale distribution business. The worldwide increase in cost of sales was partially offset by effective operational controls and an increase in worldwide purchase discounts and rebates from the Company's suppliers.

Total SG&A expenses and charges allocated from Ingram Industries increased 40.2% to $418.8 million in 1995 from $298.7 million in 1994, but decreased as a percentage of net sales to 4.8% in 1995 from 5.1% in 1994. The increased level of spending was attributable to expenses required to support expansion of the Company's business, consisting primarily of incremental personnel and support costs, lease payments relating to new facilities, and expenses associated with the development and maintenance of information systems. The decreased level of spending as a percentage of net sales was primarily attributable to economies of scale resulting from higher sales volumes, increased operating efficiencies, and the growth of Ingram Alliance, which is characterized by lower SG&A expenses as a percentage of net sales than the Company's traditional wholesale distribution business.

For the reasons set forth above, income from operations increased 33.2% to $186.9 million in 1995 from $140.3 million in 1994, but decreased as a percentage of net sales to 2.2% in 1995 from 2.4% in 1994. Income from U.S. operations decreased as a percentage of net sales to 2.6% in 1995 from 3.0% in 1994. This decrease was partially offset by an increase in income from European operations as a percentage of net sales to 1.1% in 1995 from 0.7% in 1994.

Other expense, net increased 32.0% to $52.3 million in 1995 from $39.6 million in 1994, but decreased as a percentage of net sales to 0.6% in 1995 from 0.7% in 1994. The increase in other expense was largely attributable to a higher level of borrowings to finance the Company's worldwide business expansion. The Company was also negatively impacted by the continued effect of the distressed Mexican economy and the related peso devaluation. Primarily due to events in Mexico, the Company sustained a net foreign currency exchange loss of $7.8 million in 1995 as compared to a $6.9 million loss in 1994.

The provision for income taxes increased 34.2% to $53.1 million in 1995 from $39.6 million in 1994, reflecting the 33.7% increase in the Company's income before income taxes and minority interest. The Company's effective tax rate was 39.5% in 1995 as compared to 39.3% in 1994.

Net income increased 33.1% to $84.3 million in 1995 from $63.3 million in 1994, but decreased as a percentage of net sales to 1.0% in 1995 from 1.1% in 1994.

1994 Compared to 1993

Consolidated net sales increased 44.2% to $5.8 billion in 1994 from $4.0 billion in 1993. The increase in worldwide net sales was attributable to growth in the microcomputer products industry in general, the acquisition of four international distributors, the addition of new customers, increased sales to the existing customer base, and expansion of the Company's product offerings.

Net sales from U.S. operations increased 32.2% to $4.1 billion in 1994 from $3.1 billion in 1993. The increase in U.S. net sales was primarily attributable to the same factors favorably impacting worldwide consolidated net sales. Net sales from European operations increased 122.3% to $1.1 billion in 1994 from $485.1 million in 1993. The increase in European net sales was due to improved operating performance by several of the European subsidiaries (including the addition of some of the Company's suppliers to the German operation), as well as the Company's entry through acquisitions into the Spanish market in April 1994 and the Scandinavian market in September 1994. Net sales from other international operations increased 42.9% to $629.6 million in 1994 from $440.7 million in 1993. The increase in net sales from other international operations was largely attributable to the continued development of the Company's operations in Canada and Mexico. In 1994, net sales from U.S. operations accounted for 70.7% of consolidated net sales, net sales from European operations accounted for 18.5% of consolidated net sales, and net sales from other international operations accounted for 10.8% of consolidated net sales. In 1993, net sales from U.S. operations accounted for 77.1% of consolidated net sales, net sales from European operations accounted for 12.0% of consolidated net sales, and other international net sales accounted for 10.9% of consolidated net sales.

Cost of sales as a percentage of net sales increased to 92.5% in 1994 from 91.9% in 1993. This increase was primarily attributable to competitive pricing pressures worldwide.

Total SG&A expenses and charges allocated from Ingram Industries increased 31.8% to $298.7 million in 1994 from $226.6 million in 1993 but decreased as a percentage of net sales to 5.1% in 1994 from 5.6% in 1993. The increased level of spending was attributable to expenses required to support expansion of the Company's business, consisting primarily of incremental personnel and support costs, lease payments relating to new facilities, and expenses associated with the development and maintenance of information systems. The decreased level of spending as a percentage of net sales was primarily attributable to economies of scale resulting from higher sales volumes, as well as increased operating efficiencies.

For the reasons set forth above, income from operations increased 36.2% to $140.3 million in 1994 from $103.0 million in 1993, but decreased as a percentage of net sales to 2.4% in 1994 from 2.5% in 1993. Contributing to the increase in income from operations was income from the European operations of $8.1 million, compared to a $3.2 million loss from such operations in 1993.

Other expense, net increased 96.2% to $39.6 million in 1994 from $20.2 million in 1993, and increased as a percentage of net sales to 0.7% in 1994 from 0.5% in 1993. The increase in other expense was largely attributable to a higher level of borrowings to finance the Company's worldwide

business expansion, including acquisitions, and foreign currency exchange losses of $6.9 million primarily related to Mexico in 1994.

The provision for income taxes increased 25.1% to $39.6 million in 1994 from $31.7 million in 1993, reflecting the 21.5% increase in the Company's income before income taxes and minority interest. The Company's effective tax rate was 39.3% in 1994 as compared to 38.2% in 1993.

Net income increased 25.8% to $63.3 million in 1994 from $50.4 million in 1993, but decreased as a percentage of net sales to 1.1% in 1994 from 1.2% in 1993.

Quarterly Data; Seasonality

The Company's quarterly net sales and operating results have varied significantly in the past and will likely continue to do so in the future as a result of seasonal variations in the demand for the products and services offered by the Company, the introduction of new hardware and software technologies and products offering improved features and functionality, the introduction of new products and services by the Company and its competitors, the loss or consolidation of a significant supplier or customer, changes in the level of operating expenses, inventory adjustments, product supply constraints, competitive conditions including pricing, interest rate fluctuations, the impact of acquisitions, currency fluctuations, and general economic conditions. The Company's narrow operating margins may magnify any such fluctuations. Specific historical seasonal variations in the Company's operating results have included a reduction of demand in Europe during the summer months, increased Canadian government purchasing in the first quarter, and pre-holiday stocking in the retail channel during the September to November period. In addition, as was the case with the introduction of Microsoft Windows 95 in August 1995, the product cycle of major products may materially impact the Company's business, financial condition, or results of operations.

The following table sets forth certain unaudited quarterly historical consolidated financial data for each of the nine quarters up to the period ended March 30, 1996. This unaudited quarterly information has been prepared on the same basis as the annual information presented elsewhere herein and, in the Company's opinion, includes all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the selected quarterly information. This information should be read in conjunction with the consolidated financial statements and notes thereto included elsewhere in this Prospectus. The operating results for any quarter shown are not necessarily indicative of results for any future period.

	THIRTEEN WEEKS ENDED								
	APR. 2, 1994	JULY 2, 1994	OCT. 1, 1994	DEC. 31, 1994	APR. 1, 1995	JULY 1, 1995	SEPT. 30, 1995	DEC. 30, 1995	MAR. 30, 1996
	(IN MILLIONS, EXCEPT PER SHARE DATA)								
Net sales.....	$1,266.6	$1,298.9	$1,387.0	$1,877.7	$1,879.5	$1,859.6	$ 2,331.6	$2,546.2	$2,752.7
Gross profit.....	92.4	96.8	105.1	144.7	132.4	138.9	151.2	183.2	186.6
Income from				53.0	38.5		45.2		

```
63.0
  operations.....      26.1       28.3       32.9                          40.2
54.9(1)
Income before income                                    37.5       24.3                 33.8
46.5
  taxes and minority
  interest.....      19.4       19.5       24.3                          30.0
39.6(1)
Net income.....      11.6       12.1       14.6       25.0       17.1       18.4       20.8
28.0       23.8(1)
Pro forma earnings
  per share.....  $   0.11   $   0.11   $   0.12   $   0.21   $   0.14   $   0.15   $   0.17   $
0.23   $   0.20(1)
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(1) Reflects a non-cash compensation charge of $6.7 million ($4.1 million, or $0.03 per share, net of tax) in connection with the granting of the Rollover Stock Options.

As indicated in the table above, the increases in the Company's net sales in the fourth quarter of each fiscal year have generally been higher than those in the other three quarters in the same fiscal year. The trend of higher fourth quarter net sales is attributable to calendar year-end business purchases and holiday period purchases made by customers. Additionally, gross profit in the fourth quarter of each year has historically been favorably impacted by attractive year-end product buying opportunities which have often resulted in higher purchase discounts. Net sales in the third quarter of 1995 were positively impacted by the release of Microsoft Windows 95. However, gross and operating margins were lower in the third quarter of 1995 due to the significant volume of Microsoft Windows 95 sales, which had lower than average gross margins.

Liquidity and Capital Resources

The Company has financed its growth and cash needs largely through income from operations and borrowings (primarily from Ingram Industries), as well as from trade and supplier credit.

Net cash provided by operating activities was $35.2 million and $13.2 million in the first quarters of 1996 and 1995, respectively. Cash provided by operating activities increased in the first quarter of 1996 over the first quarter of 1995 primarily due to changes in trade accounts receivable, inventories, and accounts payable. Net cash used for financing activities increased to $37.8 million from $16.6 million in the first quarters of 1996 and 1995, respectively, as a result of a reduction in net borrowings under the revolving credit facility in the first quarter of 1996 as compared to the same period in 1995.

Net cash used by operating activities was $251.3 million, $87.1 million, and $41.7 million in 1995, 1994, and 1993, respectively. The significant increase in cash used by operating activities in 1995 over 1994 was due to the increased levels of inventory which accounted for a use of $580.1 million in 1995 as compared to $345.5 million in 1994 and an increase in accounts receivable which accounted for a use of $320.2 million in 1995 as compared to $232.3 million in 1994. Cash provided by accounts payable of $543.8 million in 1995 and $411.0 million in 1994 partially offset the use related to inventory and accounts receivable. The increase in the difference between inventory levels and accounts payable in 1995 as compared to 1994 was primarily due to the launch of Microsoft Windows 95.

Net cash used by investing activities of $48.8 million, $42.6 million, and $40.7 million in 1995, 1994, and 1993, respectively, was due to the Company's expansion of warehouse and other facilities in each year and the acquisitions of operations in four European countries in 1994 and the acquisition of operations in three countries in Europe and in Mexico in 1993.

Net cash provided by financing activities was $298.3 million, $143.3 million, and $101.4 million in 1995, 1994, and 1993, respectively. The increase in each period was primarily provided by an increase in borrowings from Ingram Industries.

The Company's sources of capital have primarily been borrowings from Ingram Industries. As of March 30, 1996, the Company had long-term debt outstanding of $796.1 million, including $617.9 million due to Ingram Industries. In connection with the Split-Off, in partial satisfaction of amounts due to Ingram Industries, substantially all of the debt facilities of Ingram Industries guaranteed by the Company will be assumed by the Company, including the $380 million Amended Credit Facility and $190 million in private placement notes. It is currently contemplated that Ingram Industries and Ingram Entertainment will guarantee the Company's obligations under the Amended Credit Facility until such time as the Company has received at least $250 million in qualifying new equity, including proceeds from this offering. Ingram Industries and Ingram Entertainment will receive a fee for such guarantees. The guarantee fees and the interest rates charged under the Amended Credit Facility will increase over time if the guarantees are not released. In addition, the Company will be obligated to reimburse Ingram Industries and Ingram Entertainment for their increased borrowing costs, if any, associated with the existence of such guarantees. The aggregate amount of long-term debt outstanding after the Split-Off, and before application of proceeds from this offering, will be substantially similar to the long-term debt and debt due to Ingram Industries immediately prior to the Split-Off, except as adjusted for the accounts receivable securitization program to be assumed by the Company.

Effective February 1993, the Company entered into an agreement with Ingram Industries whereby the Company sold all of its domestic trade accounts receivable to Ingram Industries on an ongoing basis. Ingram Industries transferred certain trade accounts receivable from the Company and other Ingram Industries affiliates to a trust which sold certificates representing undivided interests in the total pool of trade receivables without recourse. As of March 30, 1996, Ingram Industries had sold $310 million of certificates consisting of $160 million of fixed rate certificates and a $150 million variable rate certificate. Ingram Industries' arrangement with the trust extended to December 31, 1997, renewable biannually under an evergreen provision up to a maximum term of 20 years. As a result of the Split-Off, in partial satisfaction of amounts due to Ingram Industries, the Ingram Industries accounts receivable securitization program will be assumed by the Company, which will be the sole seller of receivables. Under the amended program, certain of the Company's domestic receivables will no longer be transferred to the trust. The Company believes the amended program will contain sufficient trade accounts receivable to support the outstanding fixed rate certificates and an unspecified amount of the variable rate certificate. Assumption of the securitization program results in a $160 million reduction of trade accounts receivable and due to Ingram Industries. See Note 4 of Notes to Consolidated Financial Statements. The Company intends to arrange a new securitization program of approximately $70 million for certain foreign receivables in connection with the Split-Off.

The Company and its foreign subsidiaries have lines of credit and short-term overdraft facilities in various currencies aggregating $93.5 million. These facilities are used principally for working capital and bear interest at market rates. See Note 6 of Notes to Consolidated Financial Statements.

The Company intends to use the net proceeds from this offering to repay outstanding indebtedness under the Amended Credit Facility. The Company believes that the net proceeds from the sale of the Common Stock offered hereby, together with net cash provided by operating activities, supplemented as necessary with funds expected to be available under credit arrangements, will provide sufficient resources to meet its present and future working capital requirements and other cash needs for at least the next 12 months or earlier if the Company were to engage in any corporate transactions not currently anticipated, in which event the Company anticipates that additional debt or equity financing would be required.

The Company presently expects to spend approximately $70 million in each of 1996 and 1997 for capital expenditures due to the continued expansion of its business.

Asset Management

The Company maintains sufficient quantities of product inventories to achieve high order fill rates. The Company believes that the risks associated with slow moving and obsolete inventory are substantially mitigated by protection and stock return privileges provided by suppliers. In the event of a supplier price reduction, the Company generally receives a credit for products in its inventory. In addition, the Company has the right to return a certain percentage of purchases, subject to certain limitations. Historically, price protection, stock return privileges, and inventory management procedures have helped to reduce the risk of decline in the value of inventory. The Company's risk of decline in the value of inventory could be greater outside the U.S., where agreements with suppliers are more restrictive with regard to price protection and the Company's ability to return unsold inventory. Inventory levels may vary from period to period, due in part to the addition of new suppliers or new lines with current suppliers and large cash purchases of inventory due to advantageous terms offered by suppliers. See "Risk Factors -- Risk of Inventory Losses."

The Company offers various credit terms to qualifying customers as well as prepay, credit card, and COD terms. The Company closely monitors customers' creditworthiness through its on-line computer system which contains detailed information on each customer's payment history and other relevant information. In addition, the Company participates in a national credit association which exchanges credit rating information on customers of association members. In most markets, the Company utilizes various levels of credit insurance to allow sales expansion and control credit risks.

Changes in Accounting Standards

The Company will adopt Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" ("FAS 121") in 1996. The Company does not expect the adoption of FAS 121 to have a material effect on its financial condition or results of operations.

The Company will adopt Statement of Financial Accounting Standards No. 123, "Accounting for Stock Based Compensation" ("FAS 123") in 1996. As permitted by FAS 123, the Company will continue to measure compensation cost in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." Therefore, the adoption of FAS 123 will have no impact on the Company's financial condition or results of operations.

Business

Overview

Ingram Micro is the leading wholesale distributor of microcomputer products worldwide. The Company markets microcomputer hardware, networking equipment, and software products to more than 105,000 reseller customers in approximately 120 countries in three principal market sectors: the VAR sector, consisting of value-added resellers, systems integrators, network integrators, application VARs, and original equipment manufacturers; the Commercial sector, consisting of corporate resellers, direct marketers, independent dealers, and owner-operated chains; and the Consumer sector, consisting of consumer electronics stores, computer superstores, mass merchants, office product superstores, software-only stores, and warehouse clubs. As a wholesale distributor, the Company markets its products to each of these types of resellers as opposed to marketing directly to end-user customers.

The Company conducts business with most of the leading resellers of microcomputer products around the world, including, in the United States, Ameridata, CDW Computer Centers, CompuCom, CompUSA, Computer City, Electronic Data Systems, En Pointe Technologies, Entex Information Services, Micro Warehouse, Sam's Club, Staples, and Vanstar. The Company's international reseller customers include Complet Data A/S, Consultores en Diagnostico Organizacional y de Sistemas, DSG Retail Ltd., 06 Software Centre Europe, B.V., GE Capital Technologies, Jump Ordenadores, Maxima S.A., Norsk Datasenter, Owell Svenska AB, SNI Siemens Nixdorf Infosys AG, and TC Sistema SPA.

Ingram Micro offers one-stop shopping to its reseller customers by providing a comprehensive inventory of more than 36,000 products from over 1,100 suppliers, including most of the microcomputer industry's leading hardware manufacturers, networking equipment suppliers, and software publishers. The Company's broad product offerings include: desktop and notebook PCs, servers, and workstations; mass storage devices; CD-ROM drives; monitors; printers; scanners; modems; networking hubs, routers, and switches; network interface cards; business application

software; entertainment software; and computer supplies. The Company's suppliers include Apple Computer, Cisco Systems, Compaq Computer, Creative Labs, Hewlett-Packard, IBM, Intel, Microsoft, NEC, Novell, Quantum, 3Com, Toshiba, and U.S. Robotics.

Ingram Micro distributes microcomputer products through warehouses in eight strategic locations in the continental United States and 21 international warehouses operated by its subsidiaries in Canada, Mexico, most countries of the European Union, Norway, Malaysia and Singapore. The Company believes that it is the market share leader in the U.S., Canada, and Mexico, and the second largest full-line distributor in Europe. In 1995, approximately 31% of the Company's net sales were derived from operations outside the U.S. The Export Division fulfills orders from U.S. exporters and from foreign customers in countries where the Company does not operate a distribution subsidiary, including much of Latin America, the Middle East, Africa, Australia, and parts of Europe and Asia. The Company participates in the master reseller business in the United States through Ingram Alliance.

The Company's principal objective is to enhance its position as the preeminent wholesale distributor of microcomputer products worldwide. The Company is focused on providing a broad range of products and services, quick and efficient order fulfillment, and consistent on-time and accurate delivery to its reseller customers around the world. The Company believes that IMpulse provides a competitive advantage through real-time worldwide information access and processing capabilities. This on-line information system, coupled with the Company's exacting operating procedures in telesales, credit support, customer service, purchasing, technical support, and warehouse operations, enables the Company to provide its reseller customers with superior service in an efficient and low cost manner. In addition, to enhance sales and to support its suppliers and reseller customers, the Company provides a wide range of value-added services, such as technical training, order fulfillment, tailored financing programs, systems configuration, and marketing programs.

The Company has grown rapidly over the past five years, with net sales and net income increasing to $8.6 billion and $84.3 million, respectively, in 1995 from $2.0 billion and $30.2 million, respectively, in 1991, representing compound annual growth rates of 43.8% and 29.3%, respectively. For the thirteen weeks ended March 30, 1996, the Company's net sales and net income increased 46.5% and 36.5%, respectively, as compared to the net sales and net income levels achieved in the thirteen weeks ended April 1, 1995. The Company's growth during these periods reflects substantial expansion in its existing domestic and international operations, resulting from the addition of new customers, increased sales to the existing customer base, the addition of new product categories and suppliers, the establishment of Ingram Alliance, and the successful integration of ten acquisitions worldwide.

The Industry

The worldwide microcomputer products distribution industry generally consists of suppliers, which sell directly to wholesalers, resellers, and end-users; wholesale distributors, which sell to resellers; and resellers, which sell to other resellers and directly to end-users. A variety of reseller categories exists, including corporate resellers, VARs, systems integrators, original equipment manufacturers, direct marketers, independent dealers, owner-operated chains, franchise chains, and computer retailers.

Different types of resellers are defined and distinguished by the end-user market they serve, such as large corporate accounts, small and medium-sized businesses, or home users, and by the level of value they add to the basic products they sell. Wholesale distributors generally sell only to resellers and purchase a wide range of products in bulk directly from manufacturers. Different wholesale distribution models have evolved in particular countries and geographies depending on the characteristics of the local reseller environment, as well as other factors specific to a particular country or region. The U.S., for example, is distinguished by the presence of master resellers, or aggregators, which are functionally similar to wholesale distributors, but which focus on selling relatively few product lines -- typically high volume, brand name hardware systems -- to a network of franchised dealers and affiliates.

The growth of the microcomputer products wholesale distribution industry continues to exceed that of the microcomputer industry as a whole. Faced with the pressures of declining product prices and the increasing costs of selling direct to a large and diverse group of resellers, suppliers are increasingly relying upon wholesale distribution channels for a greater proportion of their sales. To minimize costs and focus on their core capabilities in manufacturing, product development, and marketing, many suppliers are also outsourcing an increasing portion of certain functions such as distribution, service, technical support, and final assembly to the wholesale distribution channel. Growing product complexity, shorter product life cycles, and an increasing number of microcomputer products due to the emergence of open systems architectures and the recognition of certain industry standards have led resellers to depend on wholesale distributors for more of their product, marketing, and technical support needs. In addition, resellers are relying to an increasing extent on wholesale distributors for inventory management and credit to avoid stocking large inventories and maintaining credit lines to finance their working capital needs. The Company believes that new opportunities for growth in the microcomputer products wholesale distribution industry will emerge as new product categories arise from the ongoing convergence of computing, communications, and consumer electronics.

International markets, which represent over half of the microcomputer industry's sales, are characterized by a more fragmented wholesale distribution channel than in the U.S. Increasingly, suppliers and resellers pursuing global growth are seeking wholesale distributors with international sales and support capabilities. In addition, the microcomputer products industry in international markets is less mature and growing more rapidly than in the U.S., and as such, international growth opportunities for microcomputer wholesaler distributors are significant.

The evolution of open sourcing during the past several years is a phenomenon specific to the U.S. microcomputer products wholesale distribution market. Historically, branded computer systems from large suppliers such as Apple Computer, Compaq Computer, Hewlett-Packard, and IBM were sold in the U.S. only through authorized master resellers. Under this single sourcing model, resellers were required to purchase these products exclusively from one master reseller. Over the past few years, competitive pressures have led some of the major computer suppliers to authorize second sourcing, in which resellers may purchase a supplier's product from a source other than their primary master reseller, subject to certain restrictive terms and conditions (such as higher prices or the elimination of floor planning subsidies). More recently, certain computer manufacturers have authorized open

sourcing, a model under which resellers can purchase the supplier's product from any source on equal terms and conditions. The trend toward open sourcing has blurred the distinction between wholesale distributors and master resellers, which are increasingly able to serve the same reseller customers, whereas previously master resellers had a captive reseller customer base. The Company believes that continued movement towards second sourcing and open sourcing puts the largest and most efficient distributors of microcomputer products, which provide the highest value through superior service and pricing, in the best position to compete for reseller customers.

The dynamics of the microcomputer products wholesale distribution business favor the largest distributors which have access to financing and are able to achieve economies of scale, breadth of geographic coverage, and the strongest vendor relationships. Consequently, the distributors with these characteristics are tending to take share from smaller distributors as the industry undergoes a process of consolidation. The need for wholesale distributors to implement high volume/low cost operations on a worldwide basis is continuing to grow due to ongoing price competition, the increasing demand for value-added services, the trend toward open sourcing, and the increasing globalization of the microcomputer products industry. In summary, the microcomputer wholesale distribution industry is growing rapidly while simultaneously consolidating, creating an industry environment in which market share leadership and cost efficiency are of paramount importance.

Business Strategy

The Company is the preeminent worldwide wholesale distributor of microcomputer products and services and believes that it has developed the capabilities and scale of operations critical for long-term success in the microcomputer products distribution industry.

The Company's strategy of offering a full line of products and services provides reseller customers with one-stop shopping. The Company generally is able to purchase products in large quantities and to take advantage of special purchase opportunities from a broad range of suppliers in order to secure what it believes to be the best available volume discounts from its suppliers. In turn, these discounts allow the Company to provide competitive pricing to its reseller customers. The Company's international market presence provides suppliers with access to a broad base of geographically dispersed resellers, serviced by the Company's extensive network of distribution centers and support offices. The Company's size has permitted it to attract highly qualified associates and increase investment in personnel development and training. Also, the Company benefits from being able to make large investments in information systems, warehousing systems, and infrastructure. Further, the Company is able to spread the costs of these investments across its worldwide operations.

The Company is pursuing a number of strategies to further enhance its leadership position within the microcomputer marketplace. These include:

EXPAND WORLDWIDE MARKET COVERAGE. Ingram Micro is committed to extending its already extensive worldwide market coverage through internal growth in all domestic and international markets in which it currently participates. In addition, the Company intends to pursue acquisitions,

joint ventures, and strategic relationships outside the United States in order to take advantage of growth opportunities and to leverage its strong systems, infrastructure, and international management skills.

The Company believes that its skills in warehouse operations, purchasing, sales, credit management, marketing, and technical support enable it to expand effectively and quickly into new markets. The Company integrates acquired operations by incorporating its management philosophies and exacting operating procedures, implementing its IMpulse information system, applying its functional expertise, and training personnel on the Ingram Micro business model. Based upon these capabilities, the Company believes it is in the best position to serve global resellers, which are increasingly seeking a single source for microcomputer products and services.

By providing greater worldwide market coverage, Ingram Micro also increases the scale of its business, which results in more cost economies. In addition, as it increases its global reach, the Company diversifies its business across different markets, reducing its exposure to individual market downturns. The Company has grown its international operations principally through acquisitions and currently has fully integrated operations in 15 countries outside the U.S.: Canada, Mexico, most countries of the European Union, Norway, Malaysia, and Singapore. The Company believes that it is the market share leader in the U.S., Canada, and Mexico, and the second largest full-line distributor in Europe. The Company's objective is to achieve the number one market share in each of the markets in which it operates.

Ingram Micro will continue to focus on expansion of its operations through acquisitions, joint ventures, and strategic relationships in order to take advantage of significant growth opportunities around the world, both in established and developing markets.

EXPLOIT INFORMATION SYSTEMS LEADERSHIP. Ingram Micro continually invests in its information systems which are crucial in supporting the Company's growth and its ability to maintain high service and performance levels. The Company has developed a scalable, full-featured information system, IMpulse, which the Company believes is critical to its ability to deliver worldwide, real-time information to both suppliers and reseller customers. IMpulse is a single, standardized information system, used across all markets worldwide, that has been customized to suit local market requirements. The Company believes that it is the only full-line wholesale distributor of microcomputer products in the world with such a centralized global system.

IMpulse allows the Company's telesales representatives to deliver real-time information on product pricing, inventory, availability, and order status to reseller customers. Telesales representatives utilize the Company's Sales Adjusted Gross Profit ("SAGP") pricing system to make informed pricing decisions for each order through access to specific product and order related costs. Considering the industry's narrow margins, the Company's ability to make thousands of informed pricing decisions daily represents a competitive advantage. In addition, the Company has a number of supporting systems, including its Decision Support System ("DSS"), a multidimensional sales and profitability analysis application. The Company continuously seeks to make system modifications to provide greater capability and flexibility to the Company's individual business units and markets.

The Company intends to continue to develop and expand the use of its Customer Information Services ("CIS"), which packages the full range of Ingram Micro's electronic services into a single solution. CIS is designed to improve the information flow from supplier to distributor to reseller to end-user in order to conduct business in a cost-effective manner. It addresses the dynamic requirements of various customer markets by offering a core group of services through a number of different electronic media. By using CIS, resellers can place orders directly, without the assistance of a telesales representative. The Company plans further expansion in electronic links with reseller customers and suppliers to provide better access to the Company's extensive database for pricing, product availability, and technical information.

The Company will continue to invest in the enhancement and expansion of its systems to create additional applications and functionality.

PROVIDE SUPERIOR EXECUTION FOR RESELLER CUSTOMERS. Ingram Micro continually refines its systems and processes to provide superior execution and service to reseller customers. The Company believes that the level of service achieved with its systems and processes is a competitive advantage and has been a principal contributor to its success to date.

Providing superior execution involves, among other factors, rapid response to customer calls, quick access to relevant product information, high order fill rates, and on-time, accurate shipments. The Company's information systems enable telesales representatives to provide reseller customers with real-time inventory and pricing information. Ingram Micro strives to maintain high order fill rates by keeping extensive supplies of product in its 29 distribution centers worldwide. In the U.S. and Canada, the Company has implemented control systems and processes referred to as Bulletproof Shipping, which include stock-keeping unit ("SKU") bar coding for all products and on-line quality assurance methods. As a result of this program, substantially all orders in the U.S. and Canada received by 5:00 p.m. are shipped on the same day, with highly accurate shipping performance.

Ingram Micro will continue to invest in the development of systems and processes to improve execution. In the U.S., the Company is currently installing computer telephone integration ("CTI"), which will provide automatic caller identification, onscreen call waiting, and abandoned call management capabilities to telesales and customer service associates. Also in the U.S., the recently installed POWER system will improve response time to reseller customers' product returns and other customer service requests. To support future customer requirements, the Company continues to expand and upgrade its distribution network. For example, a new warehouse is under construction in Millington, Tennessee. In Canada, a new returns center will be added near Toronto, Ontario. The Company is implementing formal systems for evaluating and tracking key performance metrics such as responsiveness to customers, process accuracy, order processing cycle time, and order fulfillment efficiency. Ingram Micro will use this customer satisfaction monitoring system to identify potential areas of improvement as part of the Company's focus on providing superior service.

DELIVER WORLD-CLASS VALUE-ADDED SERVICES TO SUPPLIERS AND RESELLERS. Ingram Micro is committed to providing a diverse range of value-added wholesaling and "for fee" services to its supplier and reseller customers. Together, these services are intended to link reseller customers and

suppliers to Ingram Micro as a one-stop provider of microcomputer products and related services, while meeting demand by suppliers and resellers to outsource non-core business activities and thereby lower their operating costs.

The Company's value-added wholesaling services include final assembly and configuration of products, technical education programs, pre- and post-sale technical support, order fulfillment, and product demo evaluation.

In addition to these value-added wholesaling services, the Company offers a variety of "for fee" services for its reseller customers and suppliers. These services include: contract configuration, contract fulfillment, contract warehousing, contract telesales, contract credit/accounts receivable management, contract inventory management, and contract technical support for customers. The Company is focused on identifying and developing services that directly meet reseller customer and supplier needs.

MAINTAIN LOW COST LEADERSHIP THROUGH CONTINUOUS IMPROVEMENTS IN SYSTEMS AND PROCESSES. The microcomputer products industry is characterized by intense competition and narrow margins, and as a result, achieving economies of scale and controlling operating expenses are critical to achieving and maintaining profitable growth.

Over the last five years, the Company has been successful in reducing SG&A expenses (including expenses allocated from Ingram Industries) as a percentage of net sales, from 5.8% in 1991 to 4.8% in 1995. The Company has embarked on a number of programs that are designed to continue to reduce operating expenses as a percentage of net sales.

Many U.S. developed programs continue to be adapted for implementation in the Company's international operations. These programs include: (i) the use of advanced inventory processes and techniques to reduce the number of shipments from multiple warehouses to fulfill a single order; (ii) the use of proprietary warehouse productivity programs, such as Bulletproof Shipping and Pick Assignment; (iii) the enhancement of associates' productivity through the use of technology such as CTI, and the expanded use of multimedia workstations for functions such as Telesales and Customer Service; and (iv) the electronic automation of the ordering and information delivery process through CIS to decrease the number of non-order telesales calls. See "-- Information Systems."

The Company believes that the continued development of the IMpulse system and related distribution processes represents an opportunity for the Company to leverage operating costs across additional areas of the Company's operations.

DEVELOP HUMAN RESOURCES FOR EXCELLENCE AND TO SUPPORT FUTURE GROWTH. Ingram Micro's growth to date is a result of the talent, dedication, and teamwork of its associates. Future growth and success will be substantially dependent upon the retention and development of existing associates, as well as the recruitment of superior talent.

The Company has invested in a number of programs and systems designed to assist in the development and retention of its associates. The Company recently formed its Leadership Institute to provide training on a global basis in areas such as personal leadership and basic business fundamentals. In addition, the Company provides specific functional training for associates through Company

programs such as the Sales, Purchasing, and Marketing Academies. Transferring functional skills and implementing cross-training programs across all Ingram Micro locations have proven to be important factors in the Company's growth and international expansion. In conjunction with these programs, the Company intends to expand its human resource systems to provide enhanced career planning, training support, applicant tracking, and benefits administration. Also, the Company continues to seek top quality associates worldwide through local, professional, and college recruiting programs.

Customers

Ingram Micro sells to more than 105,000 reseller customers in approximately 120 countries worldwide. No single customer accounted for more than 3% of Ingram Micro's net sales in 1993, 1994, 1995, or the first quarter of 1996.

The Company conducts business with most of the leading resellers of microcomputer products around the world, including, in the United States, Ameridata, CDW Computer Centers, CompuCom, CompUSA, Computer City, Electronic Data Systems, En Pointe Technologies, Entex Information Services, Micro Warehouse, Sam's Club, Staples, and Vanstar. The Company's international reseller customers include Complet Data A/S, Consultores en Diagnostico Organizacional y de Sistemas, DSG Retail Ltd., 06 Software Centre Europe, B.V., GE Capital Technologies, Jump Ordenadores, Maxima S.A., Norsk Datasenter, Owell Svenska AB, SNI Siemens Nixdorf Infosys AG, and TC Sistema SPA.

Ingram Micro is firmly committed to maintaining a strong customer focus in all of the markets it serves. To best meet this key business objective, the Company is organized along the lines of the three market sectors it serves: VAR, Commercial, and Consumer. This organization permits the Company to identify and address the varying and often unique requirements of each customer group, as opposed to applying a uniform approach to distinctly different reseller channels. This organization model is most fully developed in the U.S. and Canada, and is described as follows:

- VAR sector. VARs develop computer solutions for their customers by adding tangible value to a microcomputer product. These computer solutions range from tailored software development to systems integration that meet specific customer needs. Systems integrators, network integrators, application VARs, and original equipment manufacturers ("OEMs") are classified in this sector. In 1995, this sector contributed over 27% of Ingram Micro's U.S. net sales (inclusive of Ingram Alliance and the Export Division).

- Commercial sector. The Commercial sector includes chain/independent dealers, corporate resellers, and direct marketers that sell a variety of computer products. This sector continues to be Ingram Micro's largest channel and contributed over 53% of the Company's 1995 U.S. net sales.

- Consumer sector. The Consumer sector includes computer superstores, office product superstores, mass merchants, consumer electronics stores, and warehouse clubs. In 1995, over 17% of the Company's U.S. net sales came from this sector.

In addition to focusing on the VAR, Commercial, and Consumer market sectors, the Company also has specialized strategic business units ("SBUs") designed to provide additional focused marketing and support for specific product categories or within specific markets. These product-focused SBUs address the needs of resellers and suppliers for in-depth support of particular product categories. These SBUs include the Technical Products Division, the Macintosh and Apple Computer Division, the Enterprise Computing Division, and the Mass Storage Division. The Company's market-focused SBUs, which include the Consumer Markets Division, the Education Division, and the Government Division, are designed to meet the needs of resellers and VARs who have chosen to concentrate on a particular customer market.

Customer organization along the VAR, Commercial, and Consumer market sectors has been implemented to varying degrees throughout the Company's worldwide operations and may not be as well defined as in the U.S. and Canada. Specific market circumstances vary from country to country. In some markets, a few large resellers dominate; in others, the customer base is more diversified.

Sales and Marketing

Ingram Micro's telesales department is comprised of approximately 1,400 telesales representatives worldwide, of whom more than 800 representatives are located in the United States. These telesales representatives assist resellers with product specifications, system configuration, new product/service introductions, pricing, and availability. The two main United States telesales centers are located in Santa Ana, California and Buffalo, New York and are supported by an extensive national field sales organization. Currently, Ingram Micro has more than 130 field sales representatives worldwide, including more than 50 in the United States.

In addition to customer organization along the VAR, Commercial, and Consumer market sectors, the Company utilizes a variety of product-focused groups specializing in specific product types. Specialists in processors, mass storage, networks, and other product categories promote sales growth and facilitate customer contacts for their particular product group. Ingram Micro also offers a variety of marketing programs tailored to meet specific supplier and reseller customer needs. Services provided by the Company's in-house marketing services group include advertising, direct mail campaigns, market research, retail programs, sales promotions, training, and assistance with trade shows and other events.

In Canada, Ingram Micro has been organized along customer sector lines to render more specialized service to each customer sector. Additionally, a Montreal telesales center was opened in 1995 specifically to cover the French-speaking market. The Corporate Reseller group has 18 dedicated field sales representatives to focus efforts on increasing penetration and protecting market share. The VAR accounts have received increasing coverage from field sales representatives, now one for each geographic region, along with dedicated telesales operations in Vancouver and Montreal. Retail customers served by the Consumer Markets group benefit from usage of the electronic ordering systems and manufacturer/customer symposiums tailored specifically to the Consumer sector. The Company offers a myriad of marketing programs targeted at the respective customer markets and are similar to the U.S. programs that offer a graduated level of services based on monthly purchase volume.

In Europe, Ingram Micro relies more heavily on telesales to cover its customer base than in the U.S. and Canada. In addition, the Company maintains a relatively small field sales organization to serve larger customers in each country. Many of the country operations have Technical Products Divisions that employ dedicated technical sales representatives. The European operation is expanding the presence of other product-specific divisions such as the Mass Storage Division and the Macintosh Division. Ingram Micro employs many of the same marketing tools in Europe as in the U.S. and Canada, including product guides, catalogues, and showcases used to promote selected manufacturers' product lines.

In Mexico, the sales team is comprised of both field sales representatives and telesales representatives serving Mexico City, Merida, Guadalajara, Puebla, Monterrey, Leon, and Hermosillo. Complementing this sales group are marketing associates assigned to key supplier product lines. To best meet the individualized needs of its increasingly diverse customer group, the Company is in the process of realigning its sales and marketing workforce along VAR, Commercial, and Consumer sectors throughout the branch network. This is anticipated to be a strategic advantage as the trend toward greater customer focus on particular markets continues to evolve in Mexico.

Ingram Micro's Asia Pacific sales force is responsible for growing the Company's sales in Singapore, Malaysia, Indonesia, The Philippines, Thailand, India, and Hong Kong. Marketing support for this sales effort is based on product line, but will eventually be aligned along VAR, Commercial, and Consumer sectors.

The Company's Export Division is supported by a team of sales representatives located in Miami, Florida and Santa Ana, California. The Miami office covers the Caribbean, Puerto Rico, Ecuador, Colombia, Venezuela, Peru, Chile, Argentina, Uruguay, and Brazil, while the Santa Ana Export representatives sell and market Ingram Micro products and services to Japan, the Middle East, and Australia. A satellite export sales office was opened in Tokyo during the third quarter of 1995 to provide greater focus on the Japanese market. The Belgian Export office, which is part of the Company's European operations, serves Africa and areas of Europe where Ingram Micro does not have an in-country sales and distribution operation.

Products and Suppliers

Ingram Micro has the largest inventory of products in the industry, distributing and marketing more than 36,000 products from the industry's premier microcomputer hardware manufacturers, networking equipment suppliers, and software publishers worldwide. Product assortments vary by market, and the relative importance of manufacturers to Ingram Micro varies from country to country. On a worldwide basis, the Company's sales mix is more heavily weighted toward hardware products than software products.

In the U.S., Ingram Micro's suppliers include almost all of the leading microcomputer hardware manufacturers, networking equipment manufacturers, and software publishers such as Apple Computer, Cisco Systems, Compaq Computer, Creative Labs, Hewlett-Packard, IBM, Intel, Microsoft,

NEC, Novell, Quantum, 3Com, Toshiba, and U.S. Robotics. Internationally, Ingram Micro has secured distribution agreements with most of the leading suppliers, and products are added to the Company's mix in response to local market demands.

New products are continually evaluated and added to the Company's product mix upon meeting Ingram Micro's business and technical standards. The Company evaluates on average 160 products monthly. Each Ingram Micro entity has its own procedure for assessing new products based on local market characteristics, but all follow general guidelines utilizing certain business and technical criteria including market size, demand, perceived value, industry positioning, support required, ease of set-up, packaging quality, and error handling procedures. The Company proactively pursues products representing the leading edge of technology.

The Company's suppliers generally warrant the products distributed by the Company and allow the Company to return defective products, including those that have been returned to the Company by its customers. The Company does not independently warrant the products it distributes.

The Company's business, like that of other wholesale distributors, is subject to the risk that the value of its inventory will be affected adversely by suppliers' price reductions or by technological changes affecting the usefulness or desirability of the products comprising the inventory. It is the policy of most suppliers of microcomputer products to protect distributors, such as the Company, who purchase directly from such suppliers, from the loss in value of inventory due to technological change or the supplier's price reductions. Although the Company has written distribution agreements with many of its suppliers, these agreements usually provide for nonexclusive distribution rights and often include territorial restrictions that limit the countries in which Ingram Micro is permitted to distribute the products. The agreements are also generally short term, subject to periodic renewal, and often contain provisions permitting termination by either party without cause upon relatively short notice. Under the terms of many distribution agreements, suppliers will credit the distributor for declines in inventory value resulting from the supplier's price reductions if the distributor complies with certain conditions. In addition, under many such agreements, the distributor has the right to return for credit or exchange for other products a portion of those inventory items purchased, within a designated period of time. A supplier who elects to terminate a distribution agreement generally will repurchase from the distributor the supplier's products carried in the distributor's inventory. While the industry practices discussed above are sometimes not embodied in written agreements and do not protect the Company in all cases from declines in inventory value, management believes that these practices provide a significant level of protection from such declines. No assurance can be given, however, that such practices will continue or that they will adequately protect the Company against declines in inventory value. The Company's risk of inventory loss could be greater outside the United States, where agreements with suppliers are more restrictive with regard to price protection and the Company's ability to return unsold inventory. See "Risk Factors -- Product Supply; Dependence on Key Suppliers."

Value-added Services

Ingram Micro offers a myriad of programs and services to its supplier and reseller customers as an integral part of its wholesaling efforts. The Company categorizes these services into value-added wholesale distribution and "for fee" services. Together, these services are intended to link reseller customers and suppliers to Ingram Micro as a one-stop provider of microcomputer products and related services, while meeting demand by suppliers and resellers to outsource non-core business activities and thereby lower their operating costs.

The Company's value-added wholesaling services are an important complement to its distribution activities and include final assembly and configuration of products, technical education programs, pre- and post-sale technical support, order fulfillment, and product demo evaluation.

Ingram Micro offers a selection of "for fee" services which reseller customers and suppliers may avail themselves of, independent of product purchase transactions. Many of the value-added wholesaling services are also included in this set of "for fee" services, which include: contract configuration, contract fulfillment, contract warehousing, contract telesales, contract credit/accounts receivable management, contract inventory management, and contract technical support for reseller customers and end-users. Management remains focused on adding more value-added "for fee" services to meet reseller customer and supplier needs.

Ingram Micro's value-added services for its reseller customers and suppliers include:

- System Configuration. Final assembly and configuration of microcomputer products for suppliers and reseller customers.

- Order Fulfillment. Fulfillment of end-user orders on behalf of suppliers and reseller customers. This may include order-taking, configuration, shipping, and collection.

- Electronic Services. Various electronic ordering and information delivery media integrated under the Company's CIS program which enable suppliers and reseller customers to interface directly with the Company's database.

- Technical Support. Pre- and post-sale technical support for reseller customers.

- Tailored Marketing Services. A range of offerings including trade show and symposium development, promotional advertising, end-user briefings, and joint sales calls performed by Ingram Micro Sales and Marketing staff for the benefit of reseller customers and suppliers.

- Financial Services. Includes accounts receivable financing, a purchase order program, and credit insurance provided or arranged by Ingram Financial Services Company for reseller customers.

- Inventory Management. A variety of services conducted for reseller customers that includes contract warehousing, inventory tracking by serial number, and other services.

- Telesales. Telesales performed by the Company for suppliers and reseller customers.

- Warehousing. Leasing of warehouse space to suppliers and reseller customers.

- Credit/Accounts Receivable Management. Providing reseller customers with assistance in account collection, credit inquiries, and similar matters.

- Technical Education. Various computer-based and self-study training programs, some leading to certification from suppliers.

- Warranty and Repair. Comprehensive warranty coverage on end-user systems. This service is sub-contracted by Ingram Micro to third-party repair businesses for reseller customers.

All of these services are currently available in the Company's U.S. operations. The degree of implementation of these value-added services in Ingram Micro's international operations varies depending on particular market circumstances.

Ingram Alliance

Ingram Micro entered the master reseller (also known as "aggregation") business in late 1994 with the launch of Ingram Alliance. Ingram Alliance is designed to offer resellers access to the industry's leading hardware manufacturers at competitive prices by utilizing a lower cost business model that depends upon a higher average order size, lower product returns percentage, and supplier-paid financing. See "Risk Factors -- Narrow Margins" and "-- Ingram Alliance."

The Company believes that it has been able to leverage its leading traditional wholesale distribution business in the U.S. to establish its master reseller business. Over 95% of Ingram Alliance's sales are funded by floor plan financing companies. The Company typically receives payment from these financing institutions within three business days from the date of the sale, allowing Ingram Alliance to operate at much lower relative working capital levels than the Company's wholesale distribution business. Such floor plan financing is typically subsidized for Ingram Alliance's reseller customers by its suppliers.

Since its inception, Ingram Alliance has experienced rapid growth. In 1995, Ingram Alliance achieved net sales in excess of $700 million, and it currently has more than 800 reseller customers and 11 suppliers. Ingram Alliance's success has, to a large degree, been attributable to its ability to leverage Ingram Micro's distribution infrastructure and capitalize on strong supplier relationships.

To support additional growth, Ingram Alliance remains committed to further developing relations with key suppliers. These efforts are largely driven by joint supplier/distributor sales calls, proposal and bid development programs, and tailored marketing campaigns carried out by Ingram Alliance supplier program teams.

Ingram Alliance pursues an integrated sales and marketing strategy to gain new customers and grow its business. A fully-dedicated telesales team is in place, which in conjunction with the Company's field sales representatives aims to cultivate important relationships with reseller customers. Further, Ingram Alliance provides a wide range of high quality "for fee" value-added services for its customers including

technical training and certification, warranty and repair, fulfillment, technical support, contract warehousing, and configuration services. Special promotional activities and creative financing packages are additional incentives for resellers to do business with Ingram Alliance.

Information Systems

The Company's information system, IMpulse, is central to its ability to provide superior execution to its customers, and as such, the Company believes that it represents an important competitive advantage. See "Risk Factors -- Dependence on Information Systems."

Ingram Micro's systems are primarily mainframe-based in order to provide the high level of scalability and performance required to manage such a large and complex business operation. IMpulse is a single, standardized, real-time information system and operating environment, used across all of the Company's worldwide operations. It has been customized as necessary for use in every country in which the Company operates and has the capability to handle multiple languages and currencies. On a daily basis, the Company's systems typically handle 12 million on-line transactions, 27,500 orders, and 35,000 shipments. The Company has designed IMpulse as a scalable system that has the capability to support increased transaction volume. The overall on-line response time for the Company's network of over 8,000 user stations (terminals, printers, personal computers, and radio frequency hand held terminals) is less than one-half second.

Worldwide, Ingram Micro's centralized processing system supports more than 40 operational functions including receiving, order processing, shipping, inventory management, and accounting. At the core of the IMpulse system is on-line, real-time distribution software to which considerable enhancements and modifications have been made to support the Company's growth and its low cost business model. The Company makes extensive use of advanced telecommunications technologies with customer service-enhancing features, such as Automatic Call Distribution to route customer calls to the telesales representatives. The Telesales Department relies on its Sales Wizard system for on-line, real-time tracking of all customer calls and for status reports on sales statistics such as number of customer calls, customer call intentions, and total sales generated. IMpulse allows the Company's telesales representatives to deliver real-time information on product pricing, inventory, availability, and order status to reseller customers. The SAGP pricing system enables telesales representatives to make informed pricing decisions through access to specific product and order related costs for each order. Considering the industry's narrow margins, these pricing decisions are particularly important, and the Company believes that its ability to make thousands of informed pricing decisions daily represents a competitive advantage.

In the United States, the Company is in the process of implementing CTI, which will provide the telesales and customer service representatives with Automatic Number Identification capability and advanced telecommunications features such as on-screen call waiting and automatic call return, thereby reducing the time required to process customer orders and customer service requests.

To complement Ingram Micro's telesales, customer service, and technical support capabilities, IMpulse supports CIS, which integrates all of the Company's electronic services into a single solution. CIS offers a number of different electronic media through which customers can conduct business with the Company, such as the Customer Automated Purchasing System ("CAPS"), Electronic Data Interchange ("EDI"), the Bulletin Board Service, and the Ingram Micro Web site. The Company's latest additions to CIS are its Internet-based Electronic Catalog and Manufacturer Information Library. The Electronic Catalog provides reseller customers with real-time access to product pricing and availability, with the capability to search by product category, name, or manufacturer. The Manufacturer Information Library is a comprehensive multi-manufacturer database of timely and accurate product, sales, marketing, and technical information, which is updated nightly for new information. Ingram Micro believes it is the first microcomputer wholesale distributor to offer electronic access to real-time product pricing, availability, and information on the World Wide Web. All of Ingram Micro's CIS offerings are constantly being reviewed for enhancement. For instance, a faster local network intranet solution to access the Manufacturer Information Library is currently being tested, and ordering and configuration capabilities through the Internet are under consideration.

The Company's warehouse operations use extensive bar-coding technology and radio frequency technology for receiving and shipping, and real-time links to UPS and FedEx for freight processing and shipment tracking. The Customer Service Department uses the POWER System for on-line documentation and faster processing of customer product returns. To ensure that adequate inventory levels are maintained, the Company's buyers depend on the Purchasing system to track inventory on a continual basis. Many other features of IMpulse help to expedite the order processing cycle and reduce operating costs for the Company as well as its reseller customers and suppliers.

To support and augment the Company's mainframe-based systems, the Company utilizes a number of client-server applications. Examples are the Marketing On-line Management System, a software application that provides management, accountability, and financial controls for over 6,000 marketing projects; APImage, an application that facilitates imaging of invoices and related documents in the Accounts Payable department, substantially reducing paper processing and improving document work flow; and DSS, a data warehousing application that enables multidimensional sales and profitability analysis. In the U.S., over 200 associates across all functions have access to 31 million lines of data through DSS. DSS is used for, among other tasks, pricing decisions and analysis of profitability by customer market and product category. DSS is currently being implemented in Canada and the U.K., with plans to add other international locations thereafter. The Company has also begun to deploy other PC-based tools for both the U.S. and international locations, including workstations in Telesales and Purchasing to assist with product acquisition and pricing decisions.

Over 350 experienced information technology professionals support the daily maintenance and continuous development of the Company's systems.

Operations

Order Entry

The order entry process begins with the entry of a customer account number by a telesales representative. With this input, IMpulse automatically displays the customer's name, address, credit terms, financing arrangements, and preferred shipping method. The telesales representative assists the customer on-line with product lookups, real-time inventory availability, price inquiries, and status of previous orders. As an order is entered, key information is filled in by the system, such as product description, price, availability, and adjusted gross margin. The closest warehouse to the customer with available product is automatically determined, and the corresponding product quantity is reserved. The system totals the order and automatically checks the customer's credit status. The order is released for processing, unless credit limits are exceeded or the order falls outside acceptable profit levels. In the latter case, the order is put on hold and immediately elevated for review by credit or sales management.

Reseller customers can also conduct business electronically through the Company's CIS offerings such as CAPS, EDI, and IM On Line. By using CIS, resellers can access the Company's database and place orders directly without the assistance of a telesales representative. See "-- Information Systems."

Shipping

In most of Ingram Micro's operations, substantially all orders received by 5:00 p.m. are shipped on the same day. In Canada, France, Belgium, the U.K. and the Netherlands, the cut-off time for same day shipment is 6:00 p.m. When an order is released, it is immediately available for processing in the designated warehouse. IMpulse ensures cost efficient order processing through a system called Pick Assignment which determines pick lists based on the warehouse location of items ordered. In the distribution centers, Ingram Micro relies on a sophisticated bar code reading system and a flexible automated package handling system for picking, packing, and shipping products accurately and cost effectively. In addition, IMpulse provides on-line shipping, manifesting, freight costing, invoicing and package tracking information.

The Company's warehouse inventories are maintained automatically by IMpulse which updates stock levels and feeds this information to the purchasing system for restocking as soon as an order is received. On-line quality assurance done during receipt of inbound product and prior to the shipment of orders ensures the integrity of warehouse stock inventory and the accuracy of shipments to customers. See "Risk Factors -- Dependence on Independent Shipping Companies."

Purchasing

To monitor product inventory, the purchasing staff, numbering over 260 worldwide, uses the IMpulse system inventory reports, which provide product inventory levels, six months' sales history, month-to-date, and year-to-date sales statistics by SKU and by warehouse location. Buyers carefully analyze current and future inventory positions and profitability potential. Several factors, such as inventory carrying cost, payment terms, purchase rebates, volume discounts, and marketing funds are considered in negotiating deals with suppliers. Buyers enter purchase orders into the IMpulse system, indicating the SKU number, the quantity to be ordered, and the warehouse locations to which the order should be shipped. Cost information and supplier terms and conditions are automatically entered on the purchase order; and can be modified if different terms have been negotiated. The IMpulse system automatically generates purchase orders for each inventory warehouse location and transmits these orders directly to the suppliers via EDI or facsimile. See "Risk Factors -- Risk of Declines in Inventory Value."

A number of purchasing programs have been developed to exploit opportunities unique to certain of the Company's operations. In Europe, the country managers work together as a group to obtain the best available supplier terms. The European "Inventory Sharing" program, when fully implemented, will allow sales personnel in one market to order products that are out of stock or otherwise unavailable in the local country from another European Ingram Micro business unit. Benefits of this program include lower inventory costs, better inventory turnover, and improved margins. In Canada, the U.S. Direct Fulfillment Program allows the fulfillment of individual Canadian orders from the U.S. as necessary.

Geographic Tactics

Ingram Micro operates worldwide with a set of common, global strategies. Recognizing the varying requirements of the Company's different geographic markets, the Company has developed specific tactics to address local market conditions. However, the Company's non-U.S. operations are subject to certain additional risks. See "Risk Factors -- Exposure to Foreign Markets; Currency Risk."

U.S.

In the U.S., the Company has undertaken a number of key initiatives to enhance its position in the wholesale microcomputer marketplace:

- In an effort to capture an increased share of the VAR sector, the Company will seek to convey to the market its superior ability to supply basic wholesaling services to VARs, as well as its breadth of product offerings to support vertical VAR customer sets. The Premier VAR Plus program has been developed as the prime marketing vehicle for all VAR programs and services. This program provides VARs with graduated levels of business services based on monthly purchase volume. Such services include a dedicated technical sales force, end-user leads, technology seminars, and marketing symposiums.

- As a cornerstone of the Company's VAR efforts, the Enterprise Computing Division continues to expand its penetration in markets for high-end technical products such as UNIX, document imaging, and networking equipment. This will be accomplished by developing programs which institute a Company-wide commitment to the UNIX VAR market, providing a sophisticated sales force experienced in complex networking technology solutions, partnering with key suppliers of high-end technical products, and leveraging the Company's core competencies in electronic ordering and configuration.

- In order to increase its share of the Consumer sector, the Company maintains a team of sales account managers and business development specialists dedicated to the Consumer account base. The aim of the Consumer group is to provide a variety of value-added services including inventory mix management, store personnel training, marketing programs, and administration of supplier programs.

Canada

While the Company's Canadian operation closely mirrors the U.S. operation, initiatives unique to the Canadian operating environment have been developed and are described below:

- The U.S. Direct Fulfillment Program has been instituted in Canada to take advantage of its proximity to the U.S. Through this program, Canadian customers are currently able to receive products directly from the Chicago distribution center. The expanded use of the U.S. Direct Fulfillment Program will allow for greater breadth of SKUs and manufacturers represented in the Canadian marketplace.

- As part of its overall strategy to grow share in the retail market, the Canadian operation employs Dealer Development Representatives as a special service to retail customers. These representatives visit resellers to provide product education, display set-up assistance, and provide other similar on-site services. In addition, the Company fields on-site credit representatives to facilitate processing of financial service applications of its retail customers.

Europe

One of the Company's key objectives is to become the market share leader in Europe. The Company entered Europe in 1989 with an acquisition in Belgium. See "Risk Factors -- Acquisitions." Through a series of small acquisitions, it has rapidly grown to a pan-European presence with aggregate net sales of $1.8 billion in 1995, covering 11 countries: Austria, Belgium, Denmark, France, Germany, Italy, the Netherlands, Norway, Sweden, Spain, and the United Kingdom. The Company believes that it has the second largest market share position in Europe and that it has a strong base for future growth and increased profitability. Particular areas of focus in Europe include:

- The Company will seek to enhance gross margin in the European operation through increased emphasis on high-end and higher margin technical product sales and the implementation of the SAGP system.

- A program unique to Ingram Micro is Inventory Sharing. This program allows sales personnel in one European market to order products that are out of stock or otherwise unavailable in the local country from another Ingram Micro business unit. The billing is done in the local currency with all value-added taxes, tax reporting, and similar functions managed automatically by the IMpulse system. Inventory sharing allows the Company to expand its sales base without an expansion of inventory investment or individual country expansion of stock product assortment. Benefits of the program include lower inventory costs, better inventory turnover, and improved gross margin. An important initiative is to add more country operations to the inventory sharing program and to enhance the program through coordinated purchasing among several countries.

- Continued cost reduction, as a percentage of net sales, and cost control are important for boosting profitability in the European operation. The Company aims to further reduce expense ratios of the individual business units through increased sales volume, the continued development and refinement of operations and management processes, and the increasing use of selected U.S. and Canadian business programs.

Mexico/asia Pacific

Mexico. Ingram Dicom, a 70%-owned subsidiary of Ingram Micro, is the leading wholesale distributor of microcomputer products in Mexico. Ingram Dicom offers over 6,000 products to more than 5,900 reseller customers in Mexico. In 1995, over 85% of Ingram Dicom's net sales came from 1,100 resellers who primarily service the country's major banks and businesses. Additionally, Ingram Dicom also sells to a small but growing VAR client base and to mass merchant retailers (e.g., Sam's Club, Sanborn's, Price Club).

As the local high technology market becomes more sophisticated, Ingram Dicom intends to add higher volume, more specialized technical (e.g., UNIX, networking) products to its inventory. Other important initiatives include adding a wider selection of technical education courses, extending CAPS electronic ordering throughout the entire Ingram Dicom operation, and offering a broader range of financing options for reseller customers. The Company will also continue to negotiate supplier terms and conditions aimed at limiting the Company's exposure to foreign currency fluctuations.

Asia Pacific. Ingram Micro's Asia Pacific operations, supported by its Singapore office and warehouse, focus on serving the Singapore, Malaysia, Indonesia, Philippines, Thailand, India, and Hong Kong markets. Over 800 customers are currently served from the Singapore base, with approximately 64% of these customers concentrated in the local Singapore market. The Company has recently acquired a distributor in Malaysia.

In building a solid regional Asia Pacific business, the Company intends to leverage its systems capability, financial strength, management experience, and excellent relationships with key suppliers. The initial aim of the Asia Pacific strategy is to recruit new suppliers and reseller customers while

further adding experienced managers in key functional areas of the business. The Company is currently exploring the possibility of establishing additional operations through joint ventures or acquisitions. See "Risk Factors -- Acquisitions."

Export Markets

Ingram Micro's export operations continue to expand in international markets where the Company does not have a stand-alone, in-country presence. The Miami, Santa Ana, and Belgium offices serve more than 4,700 resellers in over 100 countries.

Key strategic objectives for the export operations include increasing sales and market share in each of the regions it serves primarily by providing a broad product assortment, further cultivating key supplier relationships, and expanding reseller service offerings. The Company will continue to position itself as a global distributor of microcomputer products providing resellers in all markets access to the Company's vast selection of products via its extensive network of international and U.S. warehouses.

Competition

The Company operates in a highly competitive environment, both in the United States and internationally. The microcomputer products distribution industry is characterized by intense competition, based primarily on price, product availability, speed and accuracy of delivery, effectiveness of sales and marketing programs, credit availability, ability to tailor specific solutions to customer needs, quality and breadth of product lines and service, and availability of technical and product information. The Company believes it competes favorably with respect to each of these factors. As price points have declined, the Company believes that value-added services capabilities (such as configuration, innovative financing programs, order fulfillment, contract telesales, and contract warehousing) will become more important competitive factors.

The Company entered the master reseller business through Ingram Alliance in late 1994. See "-- Ingram Alliance." The Company competes with other master resellers, which sell to groups of affiliated franchisees and third-party dealers. Many of the Company's competitors in the master reseller business are more experienced and have more established contacts with affiliated resellers, third-party dealers, or suppliers, which may provide them with a competitive advantage over the Company.

The Company is constantly seeking to expand its business into areas closely related to its core microcomputer products distribution business. As the Company enters new business areas, it may encounter increased competition from current competitors and/or from new competitors, some of which may be current customers of the Company. For example, the Company intends to distribute media in the new digital video disc format and may compete with traditional music and printed media distributors. In addition, certain services the Company provides may directly compete with those provided by the Company's reseller customers. There can be no assurance that increased competition

and adverse reaction from customers resulting from the Company's expansion into new business areas will not have a material adverse effect on the Company's business, financial condition, or results of operations. See "Risk Factors -- Intense Competition."

Ingram Micro's primary competitors include large United States-based international distributors such as Merisel, Tech Data, and Arrow Electronics (a worldwide industrial electronics distributor), as well as national distributors such as AmeriQuest Technologies (majority owned by Computer 2000), Handleman, Navarre, and Avnet. Ingram Alliance's principal competitors include such master resellers as Intelligent Electronics, MicroAge, Datago, InaCom, and recent entrant Tech Data Elect, a division of Tech Data. Ingram Micro competes internationally with a variety of national and regional distributors. European competitors include international distributors such as Computer 2000 (owned by German conglomerate Viag AG), Merisel, and Softmart/Tech Data, and several local and regional distributors, including Actebis, Scribona, and Microtech. In Canada, Ingram Micro competes with Merisel, Globelle, Beamscope, and Tech Data. Ingram Dicom is the leading distributor in Mexico, competing with such companies as MPS, Merisel, Intertec, and Dataflux. In the Asia Pacific market, Ingram Micro faces both regional and local competitors, of whom the largest is Tech Pacific, a division of First Pacific Holdings, which operates in more than five Asia Pacific markets.

Ingram Micro also competes with hardware manufacturers and software publishers that sell directly to reseller customers and end-users.

Facilities

Ingram Micro's worldwide executive headquarters, as well as its West Coast sales and support offices, are located in Santa Ana, California. The Company also maintains an East Coast operations center in Buffalo, New York. A new United States distribution center in Millington, Tennessee is expected to be completed in April 1997, adding 600,000 square feet to the Company's warehouse capacity. This distribution center will be strategically located near several major transportation hubs and is expected to benefit from lower regional labor costs. The U.S. network of distribution centers permits Ingram Micro to keep an extensive supply of product close to its reseller customers, which enables the Company to provide approximately two-thirds of its U.S. reseller customers with one-day ground delivery and substantially all with two-day ground delivery.

The principal properties of the Company consist of the following:

APPROXIMATE LOCATION PRINCIPAL USE FLOOR AREA IN SQ. FT.

U.S.		
Santa Ana, CA.....	Executive offices	389,245
Buffalo, NY.....	Offices	175,000
Nashville, TN.....	Data Processing Center	11,782
Millington, TN.....	Distribution Center (under construction)	600,000
Chicago/Buffalo Grove, IL.....	Distribution Centers	394,359
Fullerton, CA.....	Distribution Center	273,760
Harrisburg, PA.....	Distribution Center	230,000
Memphis, TN.....	Distribution Center	160,000
Fremont, CA.....	Distribution Center	141,540
Carrollton, TX.....	Distribution Center	121,654

Atlanta, GA	Distribution Center	83,049
Miami, FL	Distribution Center, Offices	52,080
Santa Ana, CA	Returns Center, Offices	114,500
Fremont, CA	Freight Consolidation Center	58,435
EUROPE		
Brussels, Belgium	Offices	33,600
Birkerod, Denmark	Offices	22,281
Taastrup, Denmark	Distribution Center	21,699
Lesquin, France	Offices	27,356
Paris, France	Offices	2,476
Roncq, France	Distribution Center	96,000
Ottobrunn, Germany	Offices	32,221
Kirchheim, Germany	Distribution Center	75,904
Milan, Italy	Offices	17,114
Milan, Italy	Distribution Center	44,669
Rome, Italy	Distribution Center	10,225
Utrecht, Netherlands	Offices	30,999
Vianen, Netherlands	Distribution Center	61,149
Oslo, Norway	Offices, Distribution Center	32,087
Madrid, Spain	Offices	2,476
Barcelona, Spain	Offices, Distribution Center	58,387
Kista, Sweden	Offices	26,371
Sollentuna, Sweden	Distribution Center	43,126
Milton Keynes, U.K	Offices, Distribution Center	189,983
CANADA		
Toronto, Ontario	Offices, Distribution Center	250,000
Vancouver, B.C	Offices, Distribution Center	85,700
Montreal, Quebec	Offices	12,000
MEXICO		
Mexico City, D.F	Offices, Distribution Center	65,695
Puebla, Puebla	Offices, Distribution Center	11,679

APPROXIMATE LOCATION PRINCIPAL USE FLOOR AREA IN SQ. FT.

Leon, Guanajuato	Offices, Distribution Center	11,206
Guadalajara, Jalisco	Offices, Distribution Center	9,967
Merida, Yucatan	Offices, Distribution Center	6,437
Monterrey, Nuevo Leon	Offices, Distribution Center	6,039
Hermosillo, Sonora	Offices, Distribution Center	5,156
ASIA		
Singapore	Offices, Distribution Center	20,989
Kuala Lumpur, Malaysia	Offices, Distribution Center	6,000
Tokyo, Japan	Offices	720

All of the Company's current and planned facilities, with the exception of the Brussels office and the warehouse in Roncq, France, are leased. These leases have varying terms. The Company does not anticipate any material difficulty in renewing any of its leases as they expire or securing replacement facilities, in each case on commercially reasonable terms.

Trademarks and Service Marks

The Company holds various trademarks and service marks, including, among others, "Ingram Micro," "IMpulse," the Ingram Micro logo, "Partnership America," and "Leading the Way in Worldwide Distribution." Certain of these marks are registered, or are in the process of being registered, in the United States and various foreign countries. Even though the Company's marks may not be registered in every country where the Company conducts business, in many cases the Company has acquired

rights in those marks because of its continued use of them. Management believes that the value of the Company's marks is increasing with the development of its business but that the business of the Company as a whole is not materially dependent on such marks.

Employees

As of March 30, 1996, the Company had approximately 7,604 associates located as follows: United States -- 4,774, Europe -- 1,665, Canada -- 719, Mexico -- 394, and Singapore -- 52. Ingram Micro believes that its success depends on the skill and dedication of its associates. The Company strives to attract, develop, and retain outstanding personnel. None of the Company's associates in the U.S., Europe, Canada, Malaysia, and Singapore are represented by unions. In Mexico, Ingram Dicom has collective bargaining agreements with one of the national unions. The Company considers its employee relations to be good.

Legal Proceedings

There are no material pending legal proceedings to which the Company is a party or to which any of its property is subject.

Management

Executive Officers and Directors

The following table sets forth certain information with respect to each person who is an executive officer or director of the Company:

Name Age Present and Prior Positions Held(1)(2) Years Positions Held

Martha R. Ingram(2)(3)	61	Chairman of the Board of Directors	May 1996	-	Present
		Chairman of the Board of Directors, Ingram Industries	June 1995	-	Present
		Director, Ingram Industries	1981	-	Present
		Chief Executive Officer, Ingram Industries	Apr. 1996	-	Present
		Director of Public Affairs, Ingram Industries	1979	-	June 1995
John R. Ingram(2)	34	Acting Chief Executive Officer	May 1996	-	Present
		Director	Dec. 1994	-	Present
		Co-President, Ingram Industries	Jan. 1996	-	Present
		President, Ingram Book Company	Jan. 1995	-	Present
		Vice President, Purchasing, Ingram Micro Europe	Jan. 1994	-	Dec. 1994
		Vice President, Management Services, Ingram Micro Europe	July 1993	-	Dec. 1993

		Director of Management Services, Ingram Micro Europe	Jan. 1993	-	June 1993
		Director of Purchasing	Apr. 1991	-	Dec. 1992
Jeffrey R. Rodek	43	President; Chief Operating Officer; Director	Jan. 1995	-	Present
		Senior Vice President, Americas and Caribbean, Federal Express, an overnight courier firm	July 1991	-	Sept. 1994
		Senior Vice President, Central Support Services, Federal Express	Dec. 1989	-	July 1991
David R. Dukes(4)	52	Vice Chairman	Apr. 1996	-	Present
		Co-Chairman	Jan. 1992	-	Apr. 1996
		Chief Executive Officer, Ingram Alliance	Jan. 1994	-	Present
		Director	Sept. 1989	-	Present
		President	Sept. 1989	-	Dec. 1991
Sanat Dutta	47	Executive Vice President	Aug. 1994	-	Present
		Senior Vice President, Operations	May 1988	-	Aug. 1994
John Wm. Winkelhaus, II	45	Executive Vice President; President, Ingram Micro Europe	Jan. 1996	-	Present
		Senior Vice President, Ingram Micro Europe	Feb. 1992	-	Dec. 1995
		Senior Vice President, Sales	Apr. 1989	-	Jan. 1992
Michael J. Grainger	44	Chief Financial Officer	May 1996	-	Present
		Vice President and Controller, Ingram Industries	July 1990	-	Present
James E. Anderson, Jr.	48	Senior Vice President, Secretary, and General Counsel	Jan. 1996	-	Present
		Director, Ingram Entertainment	Jan. 1996	-	Present
		Vice President, Secretary, and General Counsel, Ingram Industries	Sept. 1991	-	Present
		Partner, Dearborn & Ewing, a law firm	Jan. 1986	-	Sept. 1991
Douglas R. Antone	43	Senior Vice President; President, Ingram Alliance	June 1994	-	Present
		Senior Vice President, Worldwide Sales and Marketing, Borland International, a software development company	Nov. 1993	-	May 1994
		Senior Vice President, Worldwide Sales, Borland International	July 1990	-	Nov. 1993
Larry L. Elchesen	46	Senior Vice President	June 1994	-	Present
		President, Ingram Micro Canada	May 1989	-	Present

Name Age Present and Prior Positions Held(1)(2) Years Positions Held

Philip D. Ellett	42	Senior Vice President; General Manager, U.S. Consumer Markets Division	Jan. 1996	-	Present
		President, Gates/Arrow, an electronics distributor	Aug. 1994	-	Dec. 1995
		President and Chief Executive Officer, Gates/F.A. Distributing, Inc.	Oct. 1989	-	Aug. 1994
David M. Finley	55	Senior Vice President, Human Resources	July 1996	-	Present
		Senior Vice President, Human Resources, Budget Rent a Car, a car rental company	May 1995	-	July 1996
		Vice President, Human Resources, The Southland Corporation, a convenience store company	Jan. 1977	-	May 1995
Robert Furtado	40	Senior Vice President, Operations	Aug. 1994	-	Present
		Vice President, Operations	July 1989	-	Aug. 1994
Robert Grambo	32	Senior Vice President, Telesales	Oct. 1995	-	Present
		Vice President, Sales	Apr. 1994	-	Sept. 1995
		Vice President, Product Marketing	Apr. 1993	-	Mar. 1994

		President, Bloc Publishing Corp., a software publishing firm	Apr. 1992	-	Apr. 1993
		Senior Director, Purchasing, Ingram Micro	Jan. 1990	-	Apr. 1992
Ronald K. Hardaway	52	Senior Vice President; Chief Financial Officer, Ingram Micro U.S.	Jan. 1992	-	Present
		Senior Vice President and Controller	June 1990	-	Jan. 1992
Gregory J. Hawkins	41	Senior Vice President, Sales	Oct. 1995	-	Present
		Vice President, Sales	Jan. 1993	-	Oct. 1995
		Vice President, Major Accounts	Aug. 1992	-	Jan. 1993
		Director, Major Accounts, Consumer Markets	June 1992	-	Aug. 1992
		Director, Marketing	Jan. 1991	-	June 1992
James M. Kelly	60	Senior Vice President, Management Information Systems	Feb. 1991	-	Present
David W. Rutledge	43	Senior Vice President, Asia Pacific, Latin America and Export Markets	Jan. 1996	-	Present
		Senior Vice President, Administration	Sept. 1991	-	Dec. 1995
		Vice President, Secretary, and General Counsel, Ingram Industries	Jan. 1986	-	Sept. 1991
David B. Ingram(2)	33	Director	May 1996	-	Present
		Chairman and President, Ingram Entertainment	Mar. 1996	-	Present
		President and Chief Operating Officer, Ingram Entertainment	Aug. 1994	-	Mar. 1996
		Vice President, Major Accounts, Ingram Entertainment	Nov. 1993	-	Aug. 1994
		Assistant Vice President, Sales, Ingram Entertainment	June 1992	-	Nov. 1993
		Director, Sales, Ingram Entertainment	July 1991	-	June 1992
Philip M. Pfeffer	51	Director	1986	-	Present
		President and Chief Operating Officer, Random House Inc., a publishing company	May 1996	-	Present
		Executive Vice President, Ingram Industries	Dec. 1981	-	Mar. 1996
		Chairman and CEO, Ingram Distribution Group Inc.	Dec. 1981	-	Dec. 1995
		Chairman, Ingram Micro Holdings Inc.	Apr. 1989	-	Oct. 1995

(1) The first position and any other positions not given a separate corporate identification are with the Company.

(2) Martha R. Ingram is the mother of David B. Ingram and John R. Ingram. There are no other family relationships among the above individuals.

(3) Martha R. Ingram is a director of the following public companies: Baxter International, First American Corporation, and Weyerhauser.

(4) David R. Dukes is a director of National Education Corporation.

Board of Directors

The Board of Directors currently consists of six individuals. The Company's Certificate of Incorporation provides for a Board of Directors of up to eight individuals. It is currently contemplated that at least one additional, independent director will be appointed to the Board of Directors shortly after completion of this offering. The Board Representation Agreement is expected to provide for the designation of four independent directors and not more than three family directors so long as the

Ingram Stockholders and their permitted transferees (as defined therein) own in excess of 25,000,000 shares of the Common Equity. Directors designated by the Ingram Stockholders may include Martha R. Ingram, any of her legal descendants, or any of their respective spouses. See "The Split-Off -- The Exchange."

COMMITTEES. There are currently no committees of the Board of Directors. It is contemplated that, shortly after the closing of this offering, the Board of Directors will establish an Audit Committee, a Compensation Committee, and a Nominating Committee. The functions of the Audit Committee will be to recommend annually to the Board of Directors the appointment of the independent auditors of the Company, discuss and review in advance the scope and the fees of the annual audit and review the results thereof with the independent auditors, review and approve non-audit services of the independent auditors, review compliance with existing major accounting and financial reporting policies of the Company, review the adequacy of the financial organization of the Company, and review management's procedures and policies relating to the adequacy of the Company's internal accounting controls and compliance with applicable laws relating to accounting practices.

The functions of the Compensation Committee will be to review and approve annual salaries, bonuses, and grants of stock options pursuant to the 1996 Plan for all executive officers and key members of the Company's management staff and to review and approve the terms and conditions of all employee benefit plans or changes thereto.

The function of the Nominating Committee will be to recommend to the full Board of Directors nominees for election as directors of the Company.

COMPENSATION OF DIRECTORS. Directors of the Company do not currently receive a salary or an annual retainer for their services. The Company expects that following this offering, directors who are not employees of the Company will be paid an annual retainer, plus reimbursement for expenses incurred in attending meetings of the Board of Directors and committees thereof. In addition, it is contemplated that such directors will receive options to purchase Common Equity. The specific terms and conditions of such compensation have not yet been decided. Directors who are also employees of the Company will not receive any additional compensation for serving on the Board of Directors.

Executive Compensation

SUMMARY COMPENSATION TABLE. The following table provides information relating to compensation for the year ended December 30, 1995 for the Company's former Chief Executive Officer and the other four most highly compensated executive officers of the Company (collectively, the "Named Executive Officers") for services rendered by each Named Executive Officer during the year ended December 30, 1995. A portion of this compensation was paid by Ingram Industries and was included as a factor in the determination of intercompany charges paid by the Company to Ingram Industries.

					LONG-TERM COMPENSATION AWARDS

NAME AND PRINCIPAL POSITION(S)	YEAR(1)	ANNUAL COMPENSATION SALARY($)(2)	BONUS($)(3)	SECURITIES UNDERLYING OPTIONS/SARS(#)	ALL OTHER COMPENSATION ($)(4)
Linwood A. (Chip) Lacy, Jr.(5).....	1995	$558,000	$ 414,057	--	$ 28,617
Former Chief Executive Officer and Former Chairman of the Board of Directors					
Jeffrey R. Rodek.....	1995	392,820	267,089	240,258(6)	163,649
President, Chief Operating Officer, and Director					
David R. Dukes.....	1995	260,130	205,611	--	10,607
Vice Chairman of the Company, Chief Executive Officer of Ingram Alliance, and Director					
Sanat Dutta.....	1995	263,500	213,593	--	12,365
Executive Vice President					
John Wm. Winkelhaus, II.....	1995	250,000	130,441	--	124,287
Executive Vice President and President, Ingram Micro Europe					

(1) Under rules promulgated by the Securities and Exchange Commission, since the Company was not a reporting company during the three immediately preceding fiscal years, only the information with respect to the most recent completed fiscal year is reported in the Summary Compensation Table.

(2) Includes amounts deferred under qualified and nonqualified defined contribution compensation plans and pretax insurance premium amounts.

(3) Reflects amounts paid in 1996 in respect of the fiscal year ended December 30, 1995.

(4) Includes the following amounts: Mr. Lacy (group term life insurance, $3,600; employer thrift plan contributions, $20,625; relocation, $4,392); Mr. Rodek (group term life insurance, $1,632; employer thrift plan contributions, $11,631; relocation, $150,386); Mr. Dukes (group term life insurance, $1,152; employer thrift plan contributions, $9,455); Mr. Dutta (group term life insurance, $2,784; employer thrift plan contributions, $9,581); and Mr. Winkelhaus (group term life insurance, $1,006; employer thrift plan contributions, $6,211; and expatriate compensatory payments, $117,070).

(5) Mr. Lacy was an employee of Ingram Industries at all times during 1995. All amounts shown for Mr. Lacy were paid by Ingram Industries, and a portion of such amounts is reflected in the Company's consolidated statement of income under charges allocated from Ingram Industries.

(6) Represents options exercisable for 175,000 shares of Ingram Industries common stock, which will be converted into options exercisable for 240,258 shares of Class B Common Stock in connection with the Split-Off.

STOCK OPTION/SAR GRANTS IN LAST FISCAL YEAR. The following table provides information relating to stock options granted to the Named Executive Officers for the year ended December 30, 1995.

	INDIVIDUAL GRANTS(1)			POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM
NUMBER OF SECURITIES UNDERLYING OPTIONS/ SARS	% OF TOTAL OPTIONS/SARS GRANTED TO EMPLOYEES OF THE COMPANY IN FISCAL	EXERCISE OR BASE PRICE	EXPIRATION	

--

NAME	GRANTED	YEAR	($/SH)	DATE	5%($)	10% ($)
Linwood A. (Chip) Lacy, Jr.	--	--	--	--	--	--
Jeffrey R. Rodek(2).....	240,258	22.95%	$ 2.85	1/1/03	$326,532	$782,100
David R. Dukes.....	--	--	--	--	--	--
Sanat Dutta.....	--	--	--	--	--	--
John Wm. Winkelhaus, II.....	--	--	--	--	--	--

(1) The Company has, since December 30, 1995, granted certain options to purchase Class B Common Stock, including options to purchase 100,000, 35,000, 40,000, and 40,000 shares, respectively, to Messrs. Rodek, Dukes, Dutta, and Winkelhaus. See "-- 1996 Plan -- Options."

(2) Represents options exercisable for 175,000 shares of Ingram Industries common stock, which will be converted into options exercisable for 240,258 shares of Class B Common Stock in connection with the Split-Off. Mr. Rodek's options vest according to the following schedule: 34,324 shares on January 1, 1997, 60,064 shares on January 1, 1998, 60,064 shares on January 1, 1999, 60,064 shares on January 1, 2000, and 25,742 shares on January 1, 2001.

STOCK OPTIONS/SAR EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTIONS/SAR VALUES. The following table provides information relating to stock options and ISUs exercised by the Named Executive Officers during the year ended December 30, 1995, as well as the number and value of securities underlying unexercised stock options held by the Named Executive Officers as of December 30, 1995.

NAME	SHARES ACQUIRED ON EXERCISE DURING 1995(1)(2)	VALUE REALIZED ($)(3)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS/SARS AT YEAR END EXERCISABLE/ UNEXERCISABLE(2)	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS/SARS AT YEAR END EXERCISABLE/ UNEXERCISABLE
Linwood A. (Chip) Lacy, Jr.	1,613,158(4)	$2,917,808	46,875/372,315(5)	$87,656/$554,749(5)
Jeffrey R. Rodek.....	--	--	0/274,580	0/214,400
David R. Dukes.....	--	518,063	30,032/278,184	41,097/570,335
Sanat Dutta.....	--	--	0/258,105	0/455,656
John Wm. Winkelhaus, II.....	--	278,600	0/244,376	0/450,216

(1) Excludes Ingram Industries ISUs held by Messrs. Lacy, Dukes, and Winkelhaus that matured in 1995 and were settled in cash.

(2) Reflects the conversion of shares of Ingram Industries common stock, or options exercisable for shares of Ingram Industries common stock, into shares of Class B Common Stock, or options exercisable for shares of Class B Common Stock, in connection with the Split-Off.

(3) Includes $830,408, $518,063, and $278,600 paid to Messrs. Lacy, Dukes, and Winkelhaus, respectively, in connection with the settlement of ISUs.

(4) 1,544,513 of such shares were acquired from the E. Bronson Ingram Charitable 8% Remainder Unitrust and were deemed to be acquired from the Company.

(5) Excludes options exercisable for 12,731/101,121 shares of Ingram Industries common stock with a value of $74,858/$540,997.

Pension Plan

None of the Named Executive Officers other than Mr. Lacy participates in the tax-qualified Ingram Retirement Plan and the non-qualified Ingram Supplemental Executive Retirement Plan (the "Retirement Plans") sponsored by Ingram Industries. At the time he left the Company, Mr. Lacy had earned one year of credited service under the Retirement Plans.

Mr. Lacy's benefit from the Retirement Plans will be in the form of a deferred annuity. At age 65, his life only annuities would be $178.70 per month from the Ingram Retirement Plan and $539.70 per month from the Ingram Supplemental Executive Retirement Plan. It is anticipated that the Company will establish a qualified plan similar to the Ingram Industries qualified plan. None of the Named Executive Officers will participate in the Company's qualified retirement plan.

Employment Agreements

In 1994, the Company entered into an agreement with Mr. Rodek pursuant to which he agreed to serve as President and Chief Operating Officer of the Company and as a member of the Company's Board of Directors. The agreement provides for a base salary, participation in the Company's Executive Incentive Bonus Plan, and participation in the Company's health and benefit programs. Mr. Rodek will receive a severance benefit equal to his annual base salary if the Company terminates his employment without cause prior to January 1, 1998.

In 1988, the Company entered into an agreement with Mr. Dutta pursuant to which he agreed to serve as Senior Vice President-Operations. The agreement provided for a base salary, participation in the Company's Executive Incentive Bonus Plan, and participation in the Company's health and benefit programs. Mr. Dutta will receive a severance benefit of nine months' base salary if he is terminated without cause or 12 months' base salary if he is involuntarily terminated or has a substantial change in title or reduction of salary within 12 months of a change in control (as defined in the agreement).

Mr. Lacy resigned as Chairman and Chief Executive Officer of the Company effective May 31, 1996. Pursuant to an agreement (the "Severance Agreement"), Mr. Lacy resigned from all positions with the Company, and resigned from all positions with Ingram Industries and its other subsidiaries, except that My. Lacy will remain a director of Ingram Industries until December 31, 1997, unless earlier removed in accordance with the bylaws of Ingram Industries. In addition, Mr. Lacy has agreed to serve as a director of the Company, if so requested by Ingram Industries, until December 31, 1997.

Pursuant to the Severance Agreement, Mr. Lacy has agreed to cooperate with the Company and Ingram Industries in connection with the consummation of the Split-Off and this offering. Mr. Lacy has also agreed not to use or disclose confidential information relating to the Company. Furthermore, Mr. Lacy has agreed that until November 30, 1998, he will not compete with the Company or solicit for hire any person who was or becomes an employee of the Company between December 1, 1995 and June 1, 1998. Mr. Lacy has also agreed to similar restrictions with respect to the businesses of Ingram Industries and its other subsidiaries.

The Company will pay Mr. Lacy one year's salary at the level in effect as of the date of his resignation, and has paid Mr. Lacy $272,000, his earned bonus for the first five months of 1996. In addition, the Severance Agreement provides for the continuation of certain health and life insurance benefits for a period of 12 months from the date thereof. Mr. Lacy will also receive certain payments from Ingram Industries.

The shares of Ingram Industries owned by Mr. Lacy will be converted into shares of Class B Common Stock in connection with the Exchange. These shares have been placed in an escrow account, although Mr. Lacy will be permitted to sell such shares, subject to applicable tax and securities laws, provided that the after-tax proceeds of such sales remain in the escrow account. If at any time prior to December 1, 1998, Mr. Lacy breaches the terms and conditions of the Severance Agreement, the Company shall have the right to be reimbursed for its damages from this escrow account. Furthermore, Ingram Industries and the Company may suspend any payments or obligations otherwise owed to Mr. Lacy. If not earlier released due to the death of Mr. Lacy or a Change of Control (as defined therein), fifty percent of the escrow account will be released on June 1, 1998 and the remainder on December 1, 1998.

Key Employee Stock Purchase Plan

Employee Offering As of April 30, 1996, the Board of Directors of the Company adopted, and Ingram Industries, as the sole stockholder of the Company, approved, the Key Employee Stock Purchase Plan (the "Stock Purchase Plan"). In the second quarter of 1996, the Company offered (the "Employee Offering") approximately 3,000,000 shares of its Class B Common Stock, of which 2,775,000 shares were purchased, in reliance upon Regulation D and Regulation S under the Securities Act of 1933, as amended (the "Securities Act"), for $19,425,000, to certain of its officers. Up to an additional 1,118,000 shares remain available for issuance pursuant to the Stock Purchase Plan. The shares issued thereby are subject to vesting, certain restrictions on transfer, and repurchase by the Company upon termination of employment.

Restricted Stock Grants The Company also made grants pursuant to the Stock Purchase Plan of an aggregate of 107,000 restricted shares of Class B Common Stock to certain officers and employees of the Company, which shares will vest 25% on April 1, 1998 and each year thereafter through 2001. Prior to vesting, such shares are subject to forfeiture to the Company, with no consideration paid to the holder thereof, upon termination of the holder's employment.

1996 Plan

As of April 30, 1996, the Board of Directors of the Company adopted, and Ingram Industries, as the sole stockholder of the Company, approved, the 1996 Equity Incentive Plan (the "1996 Plan"). The Company currently intends to amend the 1996 Plan, primarily to change the allowable vesting schedule for options granted under the 1996 Plan and to permit options to be granted to purchase shares of the Common Stock. Options granted prior to the closing of this offering will continue to be governed by the 1996 Plan as in effect prior to the amendment of the 1996 Plan concurrently with the closing of this offering.

The purpose of the 1996 Plan is to attract and retain key personnel and to enhance their interest in the Company's continued success.

The 1996 Plan is administered by the Board of Directors of the Company or a committee appointed thereby (the "Committee"). The Committee has broad discretion, subject to contractual restrictions affecting the Company, as to the specific terms and conditions of each award and any rules applicable thereto, including but not limited to the effect thereon of the death, retirement, or other termination of employment of the participant.

The 1996 Plan permits the granting of (i) stock options that qualify as "Incentive Stock Options" under the U.S. Internal Revenue Code of 1986, as amended (the "Code"), (ii) options other than Incentive Stock Options ("Nonqualified Stock Options"), (iii) SARs granted either alone or in tandem with other awards under the 1996 Plan, (iv) restricted stock and restricted stock units, (v) performance awards, and (vi) other stock-based awards. The Company has reserved 10,000,000 shares of Class B Common Stock to cover awards under the Plan.

The Board of Directors may amend, alter, or terminate the 1996 Plan at any time, provided that stockholder approval generally must be obtained for any change that would require stockholder approval under Rule 16b-3 under the Exchange Act or any other regulatory or tax requirement that the Board deems desirable to comply with or obtain relief under and subject to the requirement that no rights under an outstanding award may be impaired by such action without the consent of the holder thereof. The Committee may amend or modify the terms of any outstanding award but only with the consent of the participant if such amendment would impair his rights. In the event of certain corporate transactions or events affecting the shares or the structure of the Company, the Committee may make certain adjustments as set forth in the Plan.

The 1996 Plan is not subject to any provision of ERISA and is not qualified under Section 401(a) of the Code.

OPTIONS. On June 25, 1996, the Company granted options to purchase an aggregate of approximately 4,900,000 shares of Class B Common Stock under the 1996 Plan to all full-time employees of the Company who had at such time been continuously employed by the Company since January 1, 1996, as well as to certain employees of the Company, at the director level and above, who began employment with the Company at a later date. The exercise price of these options is $7.00 per share. These options, which are Incentive Stock Options to the extent permitted under the terms of the

1996 Plan and the Code, will vest as follows: (i) for officers of the Company, in four equal annual installments commencing on April 1, 1998, and (ii) for non-officers, in five equal annual installments commencing on April 1, 1997, in each case subject to continued employment with the Company.

Executive Incentive Bonus Plan

All officers of the Company are eligible to participate in the Company's Executive Incentive Bonus Plan (the "Bonus Plan"). Pursuant to the Bonus Plan, officers receive bonus payments based on the Company's meeting or exceeding budgeted results, as well as individual achievement of previously agreed upon goals.

Rollover Plan; Incentive Stock Units

In connection with the Split-Off, Ingram Industries options held by the Company's employees and certain other Ingram Industries options and SARs will be converted to Ingram Micro options ("Rollover Stock Options") to purchase shares of Class B Common Stock. In addition, holders of 300,000 Ingram Industries ISUs will have the option to exchange a portion of their ISUs for Rollover Stock Options. See "The Split-Off -- The Exchange." Upon conversion, assuming all eligible ISUs are exchanged, approximately 11,000,000 Rollover Stock Options will be outstanding. The Rollover Stock Options have exercise prices ranging from $0.66 to $3.32 per share. See "The Split-Off -- The Exchange." The majority of these options will be fully vested by the year 2000 and expire no later than ten years from the date of grant. These vested options generally become exercisable, if otherwise vested, upon the earlier of (i) nine months after the Split-Off or (ii) a public offering of the shares, in each case subject to the optionee's continued employment with any of the Company, Ingram Industries, or Ingram Entertainment.

Compensation Committee Interlocks and Insider Participation

The Board of Directors of the Company does not currently maintain a separate compensation committee. Historically, base compensation of officers of the Company, and Mr. Lacy's compensation under the Bonus Plan, has been determined by the Executive Compensation Committee of the Ingram Industries board of directors, which in 1995 consisted of E. Bronson Ingram, until his resignation from the Board in May, and Messrs. Lacy and Pfeffer. Mr. Lacy did not participate in the determination of his compensation. Compensation under the Bonus Plan for all officers of the Company other than Mr. Lacy was determined by the entire Board of Directors of the Company.

Employee and Priority Offers

Employee Directed Offer

Up to shares of Common Stock offered in this offering (the "Employee Shares") have been reserved for certain employees of the Company. Each such person may apply to purchase a minimum of and a maximum of shares of the Common Stock offered hereby at the initial public offering price and on the same terms and conditions as offered to the general public.

Priority Offer

Up to shares of Common Stock offered in this offering (the "Priority Shares") have been reserved pursuant to a priority allocation offer (the "Priority Offer"). The Priority Offer is being made to certain customers and vendors of the Company, as well as to certain other individuals, including certain employees of Ingram Industries and Ingram Entertainment. Each such person may apply to purchase a minimum of and a maximum of shares of the Common Stock offered hereby at the initial public offering price and on the same terms and conditions as offered to the general public.

In the event that the demand for Priority Shares exceeds the number of shares of Common Stock available under the Priority Offer, the maximum number of Priority Shares available to each individual will be reduced to the extent necessary so that the total subscriptions equal the number of available Priority Shares. Applications for a number of shares that is less than the new maximum individual application size will be unaffected thereby.

Certain Transactions

Historically, Ingram Industries has provided certain administrative services to the Company. The Company is allocated a portion of the costs of these administrative services. This allocation totaled $1.6 million, $2.4 million, $3.5 million, and $1.6 million in 1993, 1994, 1995, and the first quarter of 1996, respectively. In connection with the Split-Off, the Company will enter into the Transitional Service Agreements with Ingram Industries relating to the continued provision of certain administrative services. The Company believes that the terms of the Transitional Service Agreements will be on a basis at least as favorable as those that would be obtained from third parties on an arm's length basis. The Transitional Service Agreements terminate on December 31, 1996, although payroll services under the Transitional Service Agreements will be provided through December 31, 1997. After such termination, the Company will be required to provide such services internally or find a third-party provider of such services.

Additionally, Ingram Industries has provided a large portion of the debt financing required by the Company in connection with its expansion. As of December 31, 1994, December 30, 1995, and March 30, 1996, $449.4 million, $673.8 million, and $617.9 million, respectively, was outstanding to Ingram

Industries. Interest on such debt has been charged based on Ingram Industries' domestic weighted average cost of funds. See Note 6 of Notes to Consolidated Financial Statements. In connection with the Split-Off, substantially all of the debt facilities of Ingram Industries guaranteed by the Company will be assumed by the Company in satisfaction of amounts due to Ingram Industries. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources."

The Company leases certain office space near Buffalo, New York from a partnership owned by certain Ingram family members. The lease agreement expires January 31, 2013 and requires annual rental payments of approximately $1.6 million. The Company subleases its facilities in Santa Ana, California and Harrisburg, Pennsylvania from Ingram Industries pursuant to a sublease which expires March 1, 2007. The sublease agreement requires annual rental payments of approximately $2.1 million. In connection with the Split-Off, it is anticipated that the Company will enter into a direct lease agreement with the present lessor to Ingram Industries under terms and conditions similar to the sublease. The Company's lease for its distribution center in Millington, Tennessee is guaranteed by Ingram Industries. This guarantee provides for the release of Ingram Industries' guarantee upon satisfaction by the Company of certain financial requirements specified in the guarantee including consummation of an initial public offering of at least $300 million. Certain of the Company's other leases are guaranteed by Ingram Industries. The Company anticipates that such guarantees will be released in connection with the Split-Off.

The Company extended a loan during 1995 to one of its senior executive officers. The largest aggregate amount outstanding at any time during 1995 was $450,000, and the aggregate amount outstanding under this loan as of March 30, 1996 was $56,096. This loan bears interest at the intercompany rate of interest paid by the Company to Ingram Industries.

In connection with the Split-Off, it is expected that the Company, the Ingram Stockholders, and all other stockholders of Ingram Industries participating in the Exchange will enter into agreements relating to board representation and registration rights with respect to Common Stock held by the Ingram Stockholders (including shares of Common Stock issued upon conversion of Class B Common Stock). See "The Split-Off."

The Split-off

The Split-Off consists of the Exchange and the Reorganization. The following is a summary of certain of the material terms of the Split-Off.

The Exchange

In conjunction with the Reorganization, it is contemplated that Ingram Industries will consummate the Exchange, under an Exchange Agreement (the "Exchange Agreement"), pursuant to which the existing stockholders of Ingram Industries may exchange a specified number of their shares of Ingram

Industries common stock for shares of Class B Common Stock of the Company and/or common stock of Ingram Entertainment of equivalent value to the shares of Ingram Industries so exchanged. See "Principal Stockholders." If all eligible stockholders were to exchange all of their shares of Ingram Industries common stock eligible to be exchanged, they would receive approximately 108,000,000 shares of Class B Common Stock. The exchange values were determined by the board of directors of Ingram Industries, which relied in part on an opinion of a financial advisor to the effect that the Exchange was fair to all involved parties. In the Exchange Agreement, the Company covenants that, during the two-year period following the Exchange, it will not (i) liquidate, merge, or consolidate with any other person, or sell, exchange, distribute, or dispose of any material asset other than in the ordinary course of business, (ii) with certain limited exceptions, redeem or reacquire any of its capital stock transferred in the Exchange, (iii) cease to conduct the principal active trade or business conducted by it during the five years immediately preceding the Exchange, or (iv) otherwise take any actions inconsistent with the facts and representations set forth in the private letter ruling from the U.S. Internal Revenue Service (the "IRS") regarding certain federal income tax consequences of the Reorganization and Exchange, in each case unless it first obtains an opinion from recognized tax counsel or a ruling from the IRS that such action will not affect the qualification of the transactions contemplated by the Exchange Agreement for tax-free treatment.

Certain outstanding Ingram Industries options and SARs will be converted to, and certain Ingram Industries ISUs may be exchanged for, Rollover Stock Options. If all eligible ISUs are exchanged, the total number of Rollover Stock Options outstanding would be exercisable for the purchase of approximately 11,000,000 shares of Class B Common Stock. See "Management -- Rollover Plan; Incentive Stock Units."

The Company and the Ingram Stockholders are expected to enter into the Board Representation Agreement, which will provide that there will be eight nominees for election to the Company's Board of Directors (the "Designated Nominees"). The Designated Nominees will consist of three individuals designated by the Ingram Stockholders (who may include Martha R. Ingram, any of her legal descendants, or any of their respective spouses), one individual designated by the Company's chief executive officer, and four individuals who shall (i) not be executive officers or other employees of the Company; (ii) not be Martha R. Ingram, any of her legal descendants, or any of their respective spouses; and (iii) not have an economic relationship with the Company or its affiliates other than as a director or a holder of an equity interest or options to acquire an equity interest in the Company.

The Ingram Stockholders will be required to vote their shares of Common Equity for the election of the Designated Nominees. In addition, certain types of corporate transactions, including transactions involving the potential sale or merger of the Company; the issuance of additional equity, warrants, or options; and the incurrence of significant indebtedness, may not be approved without the written consent of at least a majority of the voting power held by the Ingram Stockholders, acting in their sole discretion.

The Board Representation Agreement will terminate on the date on which the Ingram Stockholders and their permitted transferees collectively cease to beneficially own at least 25,000,000 shares of the Common Equity of the Company (as such number may be equitably adjusted to reflect stock splits, stock dividends, recapitalization, and other transactions in the capital stock of the Company).

The Ingram Stockholders and the other stockholders of Ingram Industries who will receive shares of Class B Common Stock in the Exchange will enter into a registration rights agreement (the "Registration Rights Agreement") which grants the E. Bronson Ingram QTIP Marital Trust (the "QTIP Trust") demand registration rights following the completion of this offering. Such demand registration rights may be exercised with respect to all or any portion (subject to certain minimum thresholds) of the shares of Class B Common Stock owned by the QTIP Trust, one or more of the other Ingram Stockholders and certain of their permitted transferees on up to three occasions during the 84-month period following the completion of this offering; provided that the Company shall not be obligated to effect (i) any registration requested by the QTIP Trust unless the QTIP Trust has furnished Ingram Micro with an opinion of counsel to the effect that such registration and any subsequent sale shall not affect the tax-free nature of the Split-Off or (ii) more than one demand registration during any 12-month period.

The Registration Rights Agreement also grants one demand registration right to certain minority stockholders of the Company if a change of control of the Company occurs following the completion of this offering but prior to the second anniversary of the Split-Off Date. Such minority stockholders will not be entitled to this registration right if they were offered the opportunity to participate in the change of control transaction.

The Registration Rights Agreement restricts the exercise by any party thereto of a demand registration right, and provides that the Company will not grant any registration rights to any other person that are more favorable than those granted pursuant to the Registration Rights Agreement or that provide for the exercise of demand registration rights sooner than three months following a public offering in which such person was entitled to include its shares, unless the number of shares requested to be included in such public offering exceeded 125% of the number of shares actually included.

In addition, the Registration Rights Agreement provides that the parties thereto shall be entitled to unlimited "piggyback" registration rights in connection with any proposed registration of equity securities by the Company (with certain specified exceptions) during the 84-month period following the completion of this offering.

The Registration Rights Agreement contains provisions regarding reduction of the size of an offering that has been determined by the underwriters to have exceeded its maximum potential size and contains certain customary provisions, including those relating to holdback arrangements, registration procedures, indemnification, contribution and payment of fees and expenses.

Employees who received shares in the Employee Offering are bound by the provisions of the Registration Rights Agreement as if such employees were parties thereto, and are entitled to the "piggyback" registration rights provided therein, with respect to the portion of their shares of Class B Common Stock that is no longer subject to restrictions.

The Reorganization

The Company is currently a subsidiary of Ingram Industries, a company controlled by the Ingram Stockholders. Ingram Industries is engaged in various businesses in addition to that of the Company, including inland marine transportation; the production and transport of specification commercial sand; insurance; and the distribution of books, prerecorded video cassettes, laser discs, video games, and spoken-word audio cassettes. It is contemplated that the businesses of the Company, Ingram Industries, and Ingram Entertainment (each, an "Ingram Company") and their respective subsidiaries will be reorganized as described below.

Pursuant to a reorganization agreement (the "Reorganization Agreement"), it is contemplated that each Ingram Company will agree to retain or assume, at the time of the Reorganization, certain liabilities and obligations, including the following: (i) liabilities and obligations incurred by such Ingram Company (other than certain general corporate level liabilities of Ingram Industries) with respect to periods ending on or prior to the closing of the Reorganization, other than liabilities or obligations arising as a result of any intentional act which is tortious or as a result of any illegal act (each, a "Designated Action") committed by (x) a corporate officer of Ingram Industries (except for actions that are believed by such person to be in furtherance of his duties as an officer or employee of the Company, Ingram Entertainment, or their respective subsidiaries or other designated affiliates, or the other subsidiaries or designated affiliates of Ingram Industries), (y) any other employee of Ingram Industries whose responsibilities are not primarily associated with the Company, Ingram Entertainment, or their respective subsidiaries or other designated affiliates, or the other subsidiaries or designated affiliates of Ingram Industries or (z) an employee (other than general corporate level employees of Ingram Industries) of any other Ingram Company; (ii) liabilities and obligations (other than general corporate level liabilities of Ingram Industries) incurred by any other Ingram Company with respect to periods ending on or prior to the closing of the Reorganization as a result of any Designated Action committed by an employee of any such Ingram Company or certain subsidiaries or designated affiliates of such Ingram Company; (iii) in the case of Ingram Industries, certain general corporate level liabilities and obligations up to an aggregate of $100,000 incurred by Ingram Industries with respect to certain periods ending on or prior to the closing of the Reorganization and recorded under Ingram Industries' internal accounting system as "home office" liabilities, to the extent that such liabilities and obligations are extraordinary in nature and arise out of the ordinary course of business and were not accrued on Ingram Industries' year end 1995 balance sheet; (iv) specified liabilities and obligations related to certain asset dispositions and the settlement of certain claims; and (v) liabilities and obligations incurred by such Ingram Company with respect to periods beginning after the closing of the Reorganization. In addition, certain contingent assets or liabilities, as well as fees and costs incurred in connection with the Split-Off, will be shared 23.01% by Ingram Industries, 72.84% by the Company, and 4.15% by Ingram Entertainment. These contingent liabilities include (i) liabilities and obligations arising as a result of any Designated Action committed by a corporate officer of Ingram Industries (except for actions that are believed by such person to be in furtherance of his duties as an officer or employee of the Company, Ingram Entertainment, or their respective subsidiaries or other designated affiliates, or the other subsidiaries or designated affiliates of Ingram Industries), or any other employee

of Ingram Industries whose responsibilities are not primarily associated with the Company, Ingram Entertainment, or their respective subsidiaries or other designated affiliates, or the other subsidiaries or designated affiliates of Ingram Industries; (ii) certain general corporate level liabilities and obligations in excess of an aggregate of $100,000 incurred by Ingram Industries with respect to periods ending on or prior to the closing of the Reorganization and recorded under Ingram Industries' internal accounting system as "home office" liabilities, to the extent that such liabilities and obligations are extraordinary and non-recurring in nature and arise out of the ordinary course of business and were not accrued on Ingram Industries' 1995 balance sheet; (iii) certain liabilities and obligations incurred by Ingram Industries in respect of specified individuals pursuant to certain deferred compensation plans of Ingram Industries; and (iv) assets, liabilities, and obligations arising in connection with certain specified asset dispositions.

Pursuant to the Reorganization Agreement, each Ingram Company will agree to conduct its business, from the date of the Reorganization Agreement until the closing of the Reorganization, in the ordinary course of business consistent with past practice. The Reorganization Agreement provides that at or prior to the closing of the Reorganization, the Company and Ingram Entertainment will enter into bank repurchase agreements with respect to securities of the Company or Ingram Entertainment, respectively, received in connection with the Exchange Agreement in exchange for shares of Ingram Industries common stock currently held as collateral for certain loans made to stockholders of Ingram Industries.

The Company will assume or otherwise satisfy a portion of Ingram Industries' debt in return for the extinguishment of intercompany indebtedness. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources." Ingram Industries and Ingram Entertainment will agree to guarantee indebtedness incurred by the Company, prior to the receipt by the Company of at least $250 million in qualifying new equity, including proceeds from this offering, on the terms and conditions set forth on a schedule to the Reorganization Agreement. If the Company fails to release all such guarantees and Ingram Industries or Ingram Entertainment incurs indebtedness in connection with any financing transaction, the Company will reimburse Ingram Industries or Ingram Entertainment, as the case may be, for the difference between the actual cost of any such financing and any of its existing or newly incurred financing, up to an amount of such financing equal to the amount of indebtedness guaranteed by Ingram Industries or Ingram Entertainment, as the case may be, and the amount which such portion of such financing would have cost had all such guarantees been released at such time.

Pursuant to the Reorganization Agreement, it is expected that each Ingram Company will agree to indemnify each other Ingram Company from any and all damage, loss, liability, and expense incurred as a result of any breach by such party of any covenant or agreement pursuant to the Reorganization Agreement or the failure by such party to perform its obligations with respect to any liability retained or assumed by such party pursuant to the Reorganization Agreement.

The Ingram Companies are also expected to enter into an employee benefits transfer and assumption agreement (the "Employee Benefits Agreement"). The Employee Benefits Agreement will provide for the allocation of employee benefit assets and liabilities generally on a pro rata basis in respect of each Ingram Company's current and former employees. Each Ingram Company will indemnify the other parties with respect to such party's benefit-related assumed or retained assets and liabilities.

In connection with the Reorganization, it is also contemplated that the Ingram Companies will enter into a tax sharing agreement (the "Tax Sharing Agreement"). Under the Tax Sharing Agreement, the Company will agree that it will be liable for (i) its allocable share of the consolidated federal income tax liability and any consolidated state income tax liability for the year that includes the Split-Off and (ii) generally, 72.84% of any adjustment in excess of reserves already established by Ingram Industries for past federal or state income tax liabilities of Ingram Industries, Ingram Entertainment, or the Company. Subject to certain consultation rights and certain limited rights on the part of the Company to consent to a settlement, Ingram Industries will have the right to control any audit or proceeding relating to the Company for periods ending prior to the Split-Off. The Company will share in any refunds received in respect of the carryback of any future tax losses or credits it may suffer or receive. In addition, Ingram Industries and Ingram Entertainment will each agree that, upon the exercise by one of its employees of an option granted in connection with the Exchange, it will pay the Company an amount equal to the tax benefit, if any, received from any compensation deduction in respect of such exercise.

In addition, following the Reorganization, the Company will provide data processing services to Ingram Industries and Ingram Entertainment for a fee to be determined. The Ingram Companies will also enter into the Transitional Service Agreements relating to the continued provision of certain administrative services (including cash management, insurance, employee benefits, and payroll administration). The Transitional Service Agreements are expected to be on terms comparable to those that would be obtained from third parties on an arms' length basis.

Conditions to the Split-off

The Split-Off is subject to the satisfaction or waiver of certain conditions including, without limitation, (i) receipt of a private letter ruling from the Internal Revenue Service satisfactory to Ingram Industries and the Ingram Stockholders as to the tax-free nature of the Split-Off and a determination by each of the board of directors of Ingram Industries, and the Ingram Stockholders that nothing has occurred that causes them to conclude that significant questions exist as to the validity of the ruling as applied to the Reorganization or the Exchange; (ii) the absence of any law, judgment, injunction, order or decree which prohibits consummation of the Split-Off; (iii) the effectiveness of certain ancillary agreements; (iv) receipt of required regulatory approvals and third-party consents; (v) consummation of the scheduled refinancing and assumption of debt; and (vi) settlement of intercompany receivables and payables. The Exchange Agreement may be terminated by the board of directors of Ingram Industries at any time prior to the closing of the Split-Off.

Principal Stockholders

The following table sets forth certain information, as of June 30, 1996, as adjusted to reflect (i) the issuance of 2,775,000 shares of Class B Common Stock under the Employee Offering, (ii) the grant of 107,000 restricted shares of Class B Common Stock, (iii) the Split-Off, and (iv) the issuance of the Common Stock offered hereby as if such transactions had occurred on June 30, 1996, with respect to the beneficial ownership of the Class B Common Stock by (a) each person known by the Company to own beneficially more than five percent of the outstanding shares of the Class B Common Stock; (b) each director; (c) each of the Named Executive Officers; and (d) all executive officers and directors of the Company as a group. Prior to this offering, there have been no shares of Common Stock issued and outstanding. See "Management" and "Certain Transactions."

	CLASS B COMMON STOCK		COMMON EQUITY
NAME	SHARES BENEFICIALLY OWNED	PERCENTAGE OF CLASS	PERCENTAGE OF TOTAL VOTING POWER
E. Bronson Ingram QTIP Marital Trust(1) c/o Ingram Industries Inc. One Belle Meade Place 4400 Harding Road Nashville, TN 37205	69,099,258	62.3%	61.2%
Ingram Thrift Plan c/o Ingram Industries Inc. One Belle Meade Place 4400 Harding Road Nashville, TN 37205	10,006,999	9.0	8.9
David B. Ingram(1)(2) Two Ingram Blvd. LaVergne, TN 37086	75,348,598	67.9	66.7
Linwood A. (Chip) Lacy, Jr.(2)	1,500,062	1.4	1.3
John R. Ingram(1)(2)	72,449,962	65.3	64.2
Jeffrey R. Rodek	285,000	*	*
David R. Dukes(2)	138,729	*	*
Sanat Dutta(2)	122,412	*	*
John Wm. Winkelhaus, II(2)	127,560	*	*
Martha R. Ingram(1)	71,136,466	64.2	63.0
Philip M. Pfeffer(2)	2,252,044	2.0	2.0
All executive officers and directors as a group (20 persons)(1)(2)(3)	84,984,201	76.3	75.2

* Less than one percent.

(1) Martha R. Ingram is the principal beneficiary of the QTIP Trust, as well as a trustee thereof. David B. Ingram and John R. Ingram each have a fixed dollar remainder interest in the QTIP Trust and are trustees as well. The amounts listed above for each of David B. Ingram, John R. Ingram, Martha R. Ingram, and all executive officers and directors as a group include the 69,099,258 shares beneficially owned by the QTIP Trust, as David B. Ingram, John R. Ingram, and Martha R. Ingram could each be deemed to be the beneficial owner of such shares.

(2) Includes options exercisable within 60 days of the date of the table for 13,750, 110,500, 73,279, 37,412, 42,560, 29,500, 10,625, and 553,406 shares of Class B Common Stock for David B. Ingram, Mr. Lacy, Mr. Dukes, Mr. Dutta, Mr. Winkelhaus, John R. Ingram, Mr. Pfeffer, and all executive officers and directors as a group, respectively.

(3) Does not include shares beneficially owned by Mr. Lacy, the Company's former Chief Executive Officer and former Chairman of the Board of Directors.

Description of Capital Stock

The authorized capital stock of the Company consists of 265,000,000 shares of Class A Common Stock, par value $0.01 per share, of which 20,000,000 shares will be issued and outstanding upon the closing of this offering (assuming no exercise of the U.S. Underwriters' over-allotment option), and 135,000,000 shares of Class B Common Stock, par value $0.01 per share, of which 110,882,000 shares will be issued and outstanding upon the closing of this offering. In addition, the Company's Certificate of Incorporation (the "Certificate of Incorporation") authorizes the issuance by the Company of up to 1,000,000 shares of preferred stock, par value $0.01 per share (the "Preferred Stock"), on terms determined by the Company's Board of Directors. The following description is a summary of the capital stock of the Company and is subject to and qualified in its entirety by reference to the provisions of the Certificate of Incorporation and the Bylaws (the "Bylaws") of the Company, which are included as exhibits to the Registration Statement of which this Prospectus forms a part.

Common Equity

The shares of Common Stock and Class B Common Stock are identical in all respects, except for voting rights and certain conversion rights, as described below.

VOTING RIGHTS. Each share of Common Stock entitles the holder to one vote on each matter submitted to a vote of the Company's stockholders, including the election of directors, and each share of Class B Common Stock entitles the holder to ten votes on each such matter. Except as required by applicable law, holders of the Common Stock and Class B Common Stock vote together as a single class on all matters submitted to a vote of the stockholders of the Company. There is no cumulative voting. See "Risk Factors -- Control by Ingram Stockholders."

For so long as there are any shares of Class B Common Stock outstanding, any action that may be taken at a meeting of the stockholders may be taken by written consent in lieu of a meeting if the Company receives consents signed by stockholders having the minimum number of votes that would be necessary to approve the action at a meeting at which all shares entitled to vote on the matter were present and voted. This could permit certain holders of Class B Common Stock to take action regarding certain matters without providing other stockholders the opportunity to voice dissenting views or raise other matters. The right to take such action by written consent of stockholders will expire at such time as all outstanding shares of Class B Common Stock cease to be outstanding.

DIVIDENDS, DISTRIBUTIONS AND STOCK SPLITS. Holders of Common Stock and Class B Common Stock are entitled to receive dividends at the same rate if, as, and when such dividends are declared by the Board of Directors out of assets legally available therefor after payment of dividends required to be paid on shares of Preferred Stock, if any.

In the case of dividends or distributions payable in Common Stock or Class B Common Stock, only shares of Common Stock will be distributed with respect to the Common Stock and only shares of Class B Common Stock will be distributed with respect to the Class B Common Stock. In the case of dividends or other distributions consisting of other voting shares of the Company, the Company will declare and pay such dividends in two separate classes of such voting securities, identical in all respects, except that the voting rights of each such security paid to the holders of the Common Stock shall be one-tenth of the voting rights of each such security paid to the holders of Class B Common Stock, and such security paid to the holders of Class B Common Stock shall convert into the security paid to the holders of the Common Stock upon the same terms and conditions applicable to the Class B Common Stock. In the case of dividends or other distributions consisting of securities convertible into, or exchangeable for, voting securities of the Company, the Company will provide that such convertible or exchangeable securities and the underlying securities be identical in all respects, except that the voting rights of each security underlying the convertible or exchangeable security paid to the holders of the Common Stock shall be one-tenth of the voting rights of each security underlying the convertible or exchangeable security paid to the holders of Class B Common Stock, and such underlying securities paid to the holders of Class B Common Stock shall convert into the security paid to the holders of the Common Stock upon the same terms and conditions applicable to the Class B Common Stock.

Neither the Common Stock nor the Class B Common Stock may be subdivided or combined in any manner unless the other class is subdivided or combined in the same proportion.

CONVERSION. The Common Stock has no conversion rights.

The Class B Common Stock is convertible into Common Stock, in whole or in part, at any time and from time to time at the option of the holder, on the basis of one share of Common Stock for each share of Class B Common Stock converted. Each share of Class B Common Stock will also automatically convert into one share of Common Stock upon the earliest to occur of (i) the fifth anniversary of the closing of the Split-Off; (ii) the sale or transfer of certain shares of Class B Common Stock (a) by a holder that is a party to the Board Representation Agreement to any person that is not an affiliate, spouse or descendant of such holder, their estates or trusts for their benefit or any other party to the Exchange Agreement or (b) by any other holder, to a holder that is not the spouse or descendant of such holder or their estates or trusts for the benefit thereof; and (iii) the date on which the number of shares of Class B Common Stock then outstanding is less than 25% of the aggregate number of shares of Common Equity then outstanding.

LIQUIDATION. In the event of any dissolution, liquidation, or winding up of the affairs of the Company, whether voluntary or involuntary, after payment of the debts and other liabilities of the Company and making provision for the holders of Preferred Stock, if any, the remaining assets of the Company will be distributed ratably among the holders of the Common Stock and the Class B Common Stock, treated as a single class.

MERGERS AND OTHER BUSINESS COMBINATIONS. Upon a merger, combination, or other similar transaction of the Company in which shares of Common Equity are exchanged for or changed into other stock or securities, cash and/or any other property, holders of each class of Common Equity will be entitled to receive an equal per share amount of stock, securities, cash, and/or any other property, as the case may be, into which or for which each share of any other class of Common Equity is exchanged or changed; provided that in any transaction in which shares of capital stock are distributed, such shares so exchanged for or changed into may differ as to voting rights and certain conversion rights to the extent and only to the extent that the voting rights and certain conversion rights of Common Stock and Class B Common Stock differ at that time.

OTHER PROVISIONS. The holders of the Common Stock and Class B Common Stock are not entitled to preemptive rights. There are no redemption provisions or sinking fund provisions applicable to the Common Stock or the Class B Common Stock.

Preferred Stock

The Board of Directors is authorized, subject to any limitations prescribed by the Delaware General Corporation Law (as amended from time to time, the "DGCL"), or the rules of any quotation system or national securities exchange on which stock of the Company may be quoted or listed, to provide for the issuance of shares of Preferred Stock in one or more series; to establish from time to time the number of shares to be included in each such series; to fix the rights, powers, preferences, and privileges of the shares of each series and any qualifications and restrictions thereon; and, to the extent permitted by the DGCL, to increase or decrease the number of shares of such series, without any further vote or action by the stockholders. Depending upon the terms of the Preferred Stock established by the Board of Directors, any or all series of Preferred Stock could have preference over the Common Stock with respect to dividends and other distributions and upon liquidation of the Company or could have voting or conversion rights that could adversely affect the holders of the outstanding Common Stock. The Company has no present plans to issue any shares of Preferred Stock.

Limitation of Liability; Indemnification

As permitted by the DGCL, the Certificate of Incorporation provides that directors of the Company shall not be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director to the fullest extent permitted by the DGCL (which currently provides that such liability may be so limited, except for liability (i) for any breach of the director's duty of loyalty to the Company or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, (iii) under Section 174 of the DGCL, relating to prohibited dividends or distributions or the repurchase or redemption of stock, or (iv) for any transaction from which the director derives an improper personal benefit).

Each person who is or was a party to any action by reason of the fact that such person is or was a director or officer of the Company shall be indemnified and held harmless by the Company to the fullest extent permitted by the DGCL. This right to indemnification also includes the right to have paid by the Company the expenses incurred in connection with any such proceeding in advance of its final disposition, to the fullest extent permitted by the DGCL. In addition, the Company may, by action of the Board of Directors, provide indemnification to such other employees and agents of the Company to such extent as the Board of Directors determines to be appropriate under the DGCL.

As a result of this provision, the Company and its stockholders may be unable to obtain monetary damages from a director for breach of his duty of care. Although stockholders may continue to seek injunctive or other equitable relief for an alleged breach of fiduciary duty by a director, stockholders may not have any effective remedy against the challenged conduct if equitable remedies are unavailable. The Company also reserves the right to purchase and maintain directors' and officers' liability insurance.

Other Certificate of Incorporation and Bylaw Provisions

It is anticipated that the Bylaws will be amended, prior to the closing of this offering, to implement certain provisions of the Board Representation Agreement. The following discussion describes the Bylaws, as contemplated to be in effect as of the closing of this offering. The Bylaws provide that a majority of the total number of directors shall constitute a quorum for the transaction of business. The Board of Directors may act by unanimous written consent.

Annual meetings of stockholders shall be held to elect the Board of Directors and transact such other business as may be properly brought before the meeting. Special meetings of stockholders may be called by the chairman and shall be called by the secretary on the written request of stockholders having 10% of the voting power of the Company. The stockholders may act by written consent in lieu of a meeting of stockholders until such time as all shares of Class B Common Stock cease to be outstanding.

The Certificate of Incorporation may be amended with the approval of the Board of Directors (by the vote required as described above), and for so long as any shares of Class B Common Stock remain outstanding, in addition to any vote required by law, any such amendment also requires the approval of the holders of a majority of the Company's outstanding voting power and a majority of the members of the Board of Directors. The Bylaws may be amended with the approval of the Board of Directors (by the vote required as described above) or by the holders of a majority of the Company's voting power present and entitled to vote at any annual or special meeting of stockholders at which a quorum is present.

The number of directors which shall constitute the whole Board of Directors shall be fixed by resolution of the Board of Directors. The number of directors shall in no event be less than five nor more than eight. The size of the initial Board is fixed at six members. The directors shall be elected at the annual meeting of the stockholders, except for filling vacancies. Directors may be removed with the

approval of the holders of a majority of the Company's voting power present and entitled to vote at a meeting of stockholders. Vacancies and newly created directorships on the Board of Directors resulting from any increase in the number of directors may be filled by a majority of the directors then in office, although less than a quorum, a sole remaining director, or the holders of a majority of the voting power present and entitled to vote at a meeting of stockholders. For so long as the Ingram Stockholders and their permitted transferees own at least 25,000,000 shares of the Common Equity of the Company, the Bylaws will provide that the Designated Nominees will consist of three individuals designated by the Ingram Stockholders (who may include Martha R. Ingram, any of her legal descendants, or any of their respective spouses), one individual designated by the Company's chief executive officer, and four individuals who shall (i) not be executive officers or other employees of the Company; (ii) not be Martha R. Ingram, any of her legal descendants, or any of their respective spouses; and (iii) not have an economic relationship with the Company or its affiliates other than as a director or a holder of an equity interest or options to acquire an equity interest in the Company.

The presence, in person or by proxy, of the holders of a majority of the votes entitled to be cast by the stockholders entitled to vote generally, shall constitute a quorum for stockholder action at any meeting.

Section 203 of the Dgcl

After this offering, the Company will be subject to Section 203 of the DGCL which, subject to certain exceptions, prohibits a Delaware corporation from engaging in a business combination (as defined therein) with an "interested stockholder" (defined generally as any person who beneficially owns 15% or more of the outstanding voting stock of the Company or any person affiliated with such person) for a period of three years following the date that such stockholder became an interested stockholder, unless (i) prior to such date the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder; (ii) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation at the time the transaction commenced (excluding for purposes of determining the number of shares outstanding those shares owned (a) by directors who are also officers of the corporation and (b) by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer); or (iii) on or subsequent to such date the business combination is approved by the board of directors of the corporation and authorized at a meeting of stockholders by the affirmative vote of at least 66 2/3% of the outstanding voting stock of the corporation not owned by the interested stockholder.

Transfer Agent

The Company will appoint a transfer agent and registrar for the Common Stock prior to the closing of this offering.

Shares Eligible for Future Sale

Upon the closing of this offering, the Company will have outstanding an aggregate of 20,000,000 shares of Common Stock, assuming the issuance of 20,000,000 shares of Common Stock offered hereby, and 110,882,000 shares of Class B Common Stock. Of the total outstanding shares of Common Equity, only the 20,000,000 shares of Common Stock sold in this offering will be freely tradable without restriction or further registration under the Securities Act, unless purchased by "affiliates" of the Company, as that term is defined in Rule 144 under the Securities Act (which sales would be subject to certain volume limitations and other restrictions described below).

The remaining shares of Common Equity held by existing stockholders upon completion of this offering will be "restricted securities" as that term is defined in Rule 144 under the Securities Act. In general, under Rule 144 as currently in effect, a person (or persons whose shares are aggregated), including an affiliate, who has beneficially owned shares for at least two years (including, if the shares are transferred, the holding period of any prior owner except an affiliate) is entitled to sell in "broker's transactions" or to market makers, within any three-month period commencing 90 days after the date of this Prospectus, a number of shares that does not exceed the greater of (i) 1% of the then outstanding shares of such class of the Common Equity (approximately 1,108,820 shares immediately after this offering) or (ii) generally, the average weekly trading volume in such class of the Common Stock during the four calendar weeks preceding the filing of a Form 144 with respect to such sale, and subject to certain other limitations and restrictions. In addition, a person who is not deemed to have been an affiliate of the Company at any time during the three months preceding a sale, and who has beneficially owned the shares proposed to be sold for at least three years, would be entitled to sell such shares under Rule 144(k) without regard to the volume and other requirements described above. Shares of Common Equity that would otherwise be deemed "restricted securities" could be sold at any time through an effective registration statement relating to such shares of Common Equity.

Of the 110,882,000 shares of Class B Common Stock outstanding prior to this offering, 2,882,000 shares were acquired in July 1996 pursuant to the Employee Offering and the grant of restricted stock awards and 108,000,000 shares were acquired pursuant to the Split-Off. Accordingly, under current law, absent registration or an exemption from registration other than Rule 144, 2,882,000 shares of Class B Common Stock will be eligible for sale, upon the later of (i) July 1998 and (ii) two years after the release of the pledge of the shares securing the loan to purchase such shares, and 108,000,000 shares of Class B Common Stock will be eligible for sale two years from the effective date of the Split-Off.

Pursuant to the Registration Rights Agreement, the QTIP Trust, which after the Split-Off will hold 69,099,258 shares of Class B Common Stock, has certain demand registration rights with respect to all or any portion (subject to certain minimum thresholds to be agreed) of the shares of Class B Common Stock owned by the QTIP Trust, one or more of the other Ingram Stockholders and certain of their permitted transferees on up to three occasions during the 84-month period following the completion of this offering; provided that the Company shall not be obligated to effect (i) any registration requested by the QTIP Trust unless the QTIP Trust has furnished Ingram Micro with an opinion of

counsel to the effect that such registration and any subsequent sale shall not affect the tax-free nature of the Split-Off or (ii) more than one demand registration during any 12-month period. The Registration Rights Agreement also grants one demand registration right to certain minority stockholders of the Company holding shares of Class B Common Stock if a change of control of the Company occurs following the completion of this offering but prior to the second anniversary of the Split-Off Date. Such minority stockholders will not be entitled to this registration right if they were offered the opportunity to participate in the change of control transaction.

In addition, the Registration Rights Agreement provides that the parties thereto, who after the Split-Off will hold in the aggregate shares of Class B Common Stock, shall be entitled to unlimited "piggyback" registration rights in connection with any proposed registration of equity securities by the Company (with certain specified exceptions) during the 84-month period following the completion of this offering. Employees who received shares in the Employee Offering, holders of restricted stock granted at the time of the Employee Offering, and persons who have exercised Rollover Stock Options, are bound by the provisions of the Registration Rights Agreement as if such employees were parties thereto, and are entitled to the "piggyback" registration rights provided therein, with respect to the portion of their shares of Class B Common Stock that is no longer subject to restrictions.

The Company intends to file registration statements under the Securities Act covering shares of Common Stock reserved for issuance under the Company's 1996 Plan and Rollover Plan. Based on the number of options outstanding and options and shares reserved for issuance at June 30, 1996 under such plans, such registration statements would cover approximately shares. See "Management." Such registration statements are expected to be filed and become effective as soon as practicable after the effective date of this offering. Accordingly, shares registered under such registration statements will, subject to Rule 144 volume limitations applicable to affiliates, be available for sale in the open market, unless such shares are subject to vesting restrictions with the Company or the lock-up agreements described below. As of June 30, 1996 options to purchase approximately 4,900,000 shares of Common Stock were issued and outstanding under the 1996 Plan. Options to purchase approximately 11,000,000 shares will be issued upon the Split-Off pursuant to the Rollover Plan. See "Management -- 1996 Plan" and "-- Rollover Plan; Incentive Stock Units."

Prior to this offering, there has not been any public market for either class of the Common Equity. No prediction can be made as to the effect, if any, that market sales of shares or the availability of shares for sale will have on the market price prevailing from time to time. Nevertheless, sales of substantial additional amounts of Common Equity in the public market, or the perception that such sales could occur, could adversely affect the prevailing market price of the Common Stock. The Company, its directors, certain of its executive officers, and certain existing stockholders of the Company have agreed, subject to certain exceptions, not to offer, sell, contract to sell or otherwise dispose of any Common Stock for a period of 180 days after the date of this Prospectus without the prior written consent of Morgan Stanley & Co. Incorporated. See "Underwriters."

Certain U.s. Federal Income Tax Considerations

The following is a discussion of the material U.S. federal income and estate tax consequences of the ownership and disposition of Common Stock by a "Non-U.S. Holder." A "Non-U.S. Holder" is a person or entity that, for U.S. federal income tax purposes, is a non-resident alien individual, a foreign corporation, a foreign partnership, or a non-resident fiduciary of a foreign estate or trust.

This discussion is based on the Code, and administrative interpretations as of the date hereof, all of which are subject to change, including changes with retroactive effect. This discussion does not address all aspects of U.S. federal income and estate taxation that may be relevant to Non-U.S. Holders in light of their particular circumstances and does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction.

Proposed United States Treasury Regulations were issued on April 15, 1996 (the "Proposed Regulations") which, if adopted, would affect the United States taxation of dividends paid to a Non-U.S. Holder on Common Stock. The Proposed Regulations are generally proposed to be effective with respect to dividends paid after December 31, 1997, subject to certain transition rules. The discussion below is not intended to be a complete discussion of the provisions of the Proposed Regulations, and prospective investors are urged to consult their tax advisors with respect to the effect the Proposed Regulations would have if adopted.

Prospective holders should consult their tax advisors with respect to the particular tax consequences to them of owning and disposing of Common Stock, including the consequences under U.S. federal law as well as under the laws of any state, local or foreign jurisdiction.

Dividends

Subject to the discussion below, dividends paid to a Non-U.S. Holder of Common Stock generally will be subject to withholding tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. For purposes of determining whether tax is to be withheld at a 30% rate or at a reduced rate as specified by an income tax treaty, the Company ordinarily will presume that dividends paid to an address in a foreign country are paid to a resident of such country absent knowledge that such presumption is not warranted.

Under the Proposed Regulations, to obtain a reduced rate of withholding under a treaty, a Non-U.S. Holder would generally be required to provide a Form W-8 certifying such Non-U.S. Holder's entitlement to benefits under a treaty. The Proposed Regulations would also provide special rules to determine whether, for purposes of determining the applicability of a tax treaty, dividends paid to a Non-U.S. Holder that is an entity should be treated as paid to the entity or those holding an interest in that entity.

There will be no withholding tax on dividends paid to a Non-U.S. Holder that are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States if the Non-U.S. Holder files a valid Form 4224 (or, if and when the Proposed Regulations become effective, a Form W-

8) stating that the dividends are so connected. Instead, the effectively connected dividends will be subject to regular U.S. income tax in the same manner as if the Non-U.S. Holder were a U.S. resident. A non-U.S. corporation receiving effectively connected dividends may also be subject to an additional "branch profits tax" which is imposed, under certain circumstances, at a rate of 30% (or such lower rate as may be specified by an applicable treaty) of the non-U.S. corporation's effectively connected earnings and profits, subject to certain adjustments.

Generally, the Company must report to the IRS the amount of dividends paid, the name and address of the recipient, and the amount, if any, of tax withheld. A similar report is sent to the holder. Pursuant to tax treaties or certain other agreements, the IRS may make its reports available to tax authorities in the recipient's country of residence.

Dividends paid to a Non-U.S. Holder at an address within the United States may be subject to backup withholding imposed at a rate of 31% if the Non-U.S. Holder fails to establish that it is entitled to an exemption or to provide a correct taxpayer identification number and certain other information. The Proposed Regulations would, if adopted, alter the foregoing rules in certain respects, including by providing certain presumptions under which a Non-U.S. Holder would be subject to backup withholding in the absence of the certification from the holder as to non-U.S. status, regardless of whether dividends are paid to a U.S. or non-U.S. address.

Gain on Disposition of Common Stock

A Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to gain realized on a sale or other disposition of Common Stock unless (i) the gain is effectively connected with a trade or business of such holder in the United States, (ii) in the case of certain Non-U.S. Holders who are non-resident alien individuals and hold the Common Stock as a capital asset, such individual is present in the United States for 183 or more days in the taxable year of the disposition, (iii) the Non-U.S. Holder is subject to tax pursuant to the provisions of the Code regarding the taxation of U.S. expatriates, or (iv) the Company is or has been a "U.S. real property holding corporation" within the meaning of Section 897(c)(2) of the Code at any time within the shorter of the five-year period preceding such disposition or such holder's holding period. The Company is not, and does not anticipate becoming, a U.S. real property holding corporation.

Information Reporting Requirements and Backup Withholding on Disposition of Common Stock

Under current United States federal income tax law, information reporting and backup withholding imposed at a rate of 31% will apply to the proceeds of a disposition of Common Stock paid to or through a U.S. office of a broker unless the disposing holder certifies as to its non-U.S. status or otherwise establishes an exemption. Generally, U.S. information reporting and backup withholding will not apply to a payment of disposition proceeds if the payment is made outside the United States

through a non-U.S. office of a non-U.S. broker. However, U.S. information reporting requirements (but not backup withholding) will apply to a payment of disposition proceeds outside the United States if (A) the payment is made through an office outside the United States of a broker that is either (i) a U.S. person, (ii) a foreign person which derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States or (iii) a "controlled foreign corporation" for U.S. federal income tax purposes and (B) the broker fails to maintain documentary evidence that the holder is a Non-U.S. Holder and that certain conditions are met, or that the holder otherwise is entitled to an exemption.

The Proposed Regulations would, if adopted, alter the foregoing rules in certain respects. Among other things, the Proposed Regulations would provide certain presumptions under which a Non-U.S. Holder would be subject to backup withholding in the absence of certification from the holder as to non-U.S. status.

Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained, provided that the required information is furnished to the IRS.

Federal Estate Tax

An individual Non-U.S. Holder who is treated as the owner of, or has made certain lifetime transfers of, an interest in the Common Stock will be required to include the value thereof in his gross estate for U.S. federal estate tax purposes, and may be subject to U.S. federal estate tax unless an applicable estate tax treaty provides otherwise.

Underwriters

Under the terms and subject to the conditions in an Underwriting Agreement dated the date hereof (the "Underwriting Agreement"), the U.S. Underwriters named below, for whom Morgan Stanley & Co. Incorporated, Alex. Brown & Sons Incorporated, Hambrecht & Quist LLC, The Robinson-Humphrey Company, Inc., and J.C. Bradford & Co. are serving as U.S. Representatives, and the International Underwriters named below, for whom Morgan Stanley & Co. International Limited, Alex. Brown & Sons International, Hambrecht & Quist LLC, The Robinson-Humphrey Company, Inc., and J.C. Bradford & Co. are serving as International Representatives, have severally agreed to purchase, and the Company has agreed to sell to them severally, the respective number of shares of Common Stock set forth opposite the name of each Underwriters below:

Number of Name Shares

U.S. Underwriters: Morgan Stanley & Co. Incorporated..... Alex. Brown & Sons Incorporated..... Hambrecht & Quist LLC..... The Robinson-Humphrey Company, Inc..... J.C. Bradford & Co. .....

Subtotal..... 16,000,000 International Underwriters: Morgan Stanley & Co. International Limited..... Alex. Brown & Sons International..... Hambrecht & Quist LLC..... The Robinson-Humphrey Company, Inc..... J.C. Bradford & Co. ..... Subtotal..... 4,000,000 Total..... 20,000,000 The U.S. Underwriters and the International Underwriters are collectively referred to as the "Underwriters." The U.S. Representatives and the International Representatives are collectively referred to as the "Representatives." The Underwriting Agreement provides that the obligations of the several Underwriters to pay for and accept delivery of the shares of Common Stock offered hereby are subject to the approval of certain legal matters by their counsel and to certain other conditions. The Underwriters are obligated to take and pay for all the shares of Common Stock offered hereby (other than those covered by the over-allotment option described below) if any such shares are taken.

Pursuant to the Agreement Between U.S. and International Underwriters, each U.S. Underwriter has represented and agreed that, with certain exceptions set forth below, (a) it is not purchasing any U.S. Shares (as defined below) for the account of anyone other than a United States or Canadian Person (as defined below) and (b) it has not offered or sold, and will not offer or sell, directly or indirectly, any U.S. Shares or distribute any prospectus outside the United States and Canada or to anyone other than a United States or Canadian Person. Pursuant to the Agreement Between U.S. and International Underwriters, each International Underwriter has represented and agreed that, with certain exceptions set forth below, (a) it is not purchasing any International Shares (as defined below) for the account of any United States or Canadian Person and (b) it has not offered or sold, and will not offer or sell, directly or indirectly, any International Shares or distribute any prospectus relating to the International Shares within the United States or Canada or to any United States or Canadian Person. With respect to any of Hambrecht & Quist LLC, The Robinson-Humphrey Company, Inc., and J.C. Bradford & Co., the foregoing representations or agreements (i) made by it in its capacity as a U.S. Underwriter shall apply only to shares of Common Stock purchased by it in its capacity as a U.S. Underwriter, (ii) made by it in its capacity as an International Underwriter shall apply only to shares of Common Stock purchased by it in its capacity as an International Underwriter, and (iii) shall not restrict its ability to distribute any prospectus relating to the shares of Common Stock to any person. The foregoing limitations do not apply to stabilization transactions or to certain transactions specified in the Agreement Between U.S. and International Underwriters. As used herein, "United States or Canadian Person" means any national or resident of the United States or Canada, or any corporation, pension, profit-sharing or other trust or other entity organized under the laws of the United States or Canada or of any political subdivision thereof (other than a branch located outside the United States and Canada of any United States or Canadian Person) and includes any United States or Canadian branch of a person who is otherwise not a United States or Canadian Person. All shares of Common Stock to be purchased by the U.S. Underwriters and the International Underwriters are referred to herein as the "U.S. Shares" and the "International Shares," respectively.

Pursuant to the Agreement Between U.S. and International Underwriters, sales may be made between the U.S. Underwriters and International Underwriters of any number of shares of Common Stock to be purchased pursuant to the Underwriting Agreement as may be mutually agreed. The per share price of any shares so sold shall be the Price to Public set forth on the cover page hereof, in United States dollars, less an amount not greater than the per share amount of the concession to dealers set forth below.

Pursuant to the Agreement Between U.S. and International Underwriters, each U.S. Underwriter has represented that it has not offered or sold, and has agreed not to offer or sell, any shares of Common Stock, directly or indirectly, in Canada in contravention of the securities laws of Canada or any province or territory thereof and has represented that any offer of shares of Common Stock in Canada will be made only pursuant to an exemption from the requirement to file a prospectus in the province or territory of Canada in which such offer is made. Each U.S. Underwriter has further agreed to send to any dealer who purchases from it any shares of Common Stock a notice stating in substance that, by purchasing such shares of Common Stock, such dealer represents and agrees that it has not offered or sold, and will not offer or sell, directly or indirectly, any of such shares of Common Stock in Canada or to, or for the benefit of, any resident of Canada in contravention of the securities laws of Canada or any province or territory thereof and that any offer of shares of Common Stock in Canada will be made only pursuant to an exemption from the requirement to file a prospectus in the province or territory of Canada in which such offer is made, and that such dealer will deliver to any other dealer to whom it sells any of such shares of Common Stock a notice to the foregoing effect.

Pursuant to the Agreement Between U.S. and International Underwriters, each International Underwriter has represented and agreed that (i) it has not offered or sold and during the period of six months after the date hereof will not offer or sell any shares of Common Stock to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing, or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of Public Offers of Securities Regulations 1995 (the "Regulations"); (ii) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 and the Regulations with respect to anything done by it in relation to the shares of Common Stock offered hereby in, from or otherwise involving the United Kingdom; and (iii) it has only issued or passed on and will only issue or pass on to any person in the United Kingdom any document received by it in connection with the offer of the shares of Common Stock, other than any document which consists of, or is part of, listing particulars, supplementary listing particulars, or any other document required or permitted to be published by listing rules under Article IV of the Financial Services Act 1986, if that person is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1995, or is a person to whom such document may otherwise lawfully be issued or passed on.

Pursuant to the Agreement Between U.S. and International Underwriters, each International Underwriter has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, in Japan or to or for the account of any resident thereof, any of the shares of

Common Stock acquired in connection with this offering, except for offers or sales to Japanese International Underwriters or dealers and except pursuant to any exemption from the registration requirements of the Securities and Exchange Law of Japan. Each International Underwriter has further agreed to send to any dealer who purchases from it any of the shares of Common Stock a notice stating in substance that such dealer may not offer or sell any of such shares, directly or indirectly, in Japan or to or for the account of any resident thereof except pursuant to any exemption from the registration requirements of the Securities and Exchange Law of Japan, and that such dealer must send to any other dealer to whom it sells any of such shares of Common Stock a notice to the foregoing effect.

The Underwriters initially propose to offer part of the shares of Common Stock directly to the public at the Public Price set forth on the cover page hereof and part to certain dealers at a price that represents a concession not in excess of $ per share under the Price to Public. The Underwriters may allow, and such dealers may reallow, a concession not in excess of $ per share to other Underwriters or to certain dealers. After the initial offering of the shares of Common Stock, the offering price and other selling terms may from time to time be varied by the Representatives.

Pursuant to the Underwriting Agreement, the Company has granted to the U.S. Underwriters an option, exercisable for 30 days from the date hereof, to purchase up to 3,000,000 additional shares of Common Stock at the Price to Public set forth on the cover page of this Prospectus, less underwriting discounts and commissions. The U.S. Underwriters may exercise such option solely for the purpose of covering over-allotments, if any, incurred in the sale of the shares of Common Stock offered hereby. To the extent that such option is exercised, each U.S. Underwriter will become obligated, subject to certain conditions, to purchase approximately the same percentage of such additional shares as the number of shares to be purchased and offered by such U.S. Underwriter in the above table bears to the total number of initial shares to be purchased by the U.S. Underwriters.

Application has been made to list the Common Stock on the New York Stock Exchange subject to official notice of issuance. The Underwriters intend to sell shares of the Common Stock to a minimum of 2,000 beneficial owners in lots of 100 or more so as to meet the distribution requirements of such listing.

At the Company's request, the Underwriters have reserved for sale, at the Price to Public set forth on the cover page hereof, up to shares offered hereby for directors, officers, employees, business associates, and related persons of the Company and its subsidiaries. The number of shares of Common Stock available for sale to the general public will be reduced to the extent such persons purchase such reserved shares. Any reserved shares which are not so purchased will be offered by the Underwriters to the general public on the same basis as the other shares offered hereby. See "Employee and Priority Offers."

The Company, its directors, certain of its executive officers, and certain stockholders of the Company, have agreed that they will not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right, or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, or (ii) enter into any swap or other

arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise, for a period of 180 days after the date of this Prospectus, without the prior written consent of Morgan Stanley & Co. Incorporated, other than (i) the sale to the Underwriters of any shares of Common Stock pursuant to the Underwriting Agreement or (ii) the grant of options or issuance of stock upon the exercise of outstanding stock options pursuant to the Company's stock option plans.

The Representatives have informed the Company that the Underwriters do not intend sales to discretionary accounts to exceed five percent of the total number of shares of Common Stock offered by them.

The Company and the Underwriters have agreed in the Underwriting Agreement to indemnify each other against certain liabilities, including liabilities under the Securities Act.

From time to time each of Morgan Stanley & Co. Incorporated, The Robinson-Humphrey Company, Inc., and J.C. Bradford & Co. has provided, and continues to provide, investment banking services to Ingram Industries and the Company.

Pricing of Offering

Prior to this offering, there has been no public market for the shares of Common Stock of the Company. Consequently, the initial public offering price will be determined by negotiations between the Company and the Representatives. Among the factors considered in determining the initial public offering price will be the Company's record of operations, the Company's current financial condition and future prospects, the experience of its management, the economics of the industry in general, the general condition of the equity securities market, and the market prices of similar securities of companies considered comparable to the Company. There can be no assurance that a regular trading market for the shares of Common Stock will develop after this offering or, if developed, that a public trading market can be sustained. There can be no assurance that the prices at which the Common Stock will sell in the public market after this offering will not be lower than the price at which it is issued by the Underwriters in this offering.

Legal Matters

Certain legal matters with respect to the Common Stock offered hereby will be passed upon for the Company by Davis Polk & Wardwell, New York, New York and for the Underwriters by Wilson Sonsini Goodrich & Rosati, Palo Alto, California.

Experts

The consolidated financial statements as of December 31, 1994 and December 30, 1995 and for each of the three fiscal years in the period ended December 30, 1995 included in this Prospectus have been so included in reliance on the report of Price Waterhouse LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

Additional Information

Prior to this offering, the Company has not been subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-1 (together with any amendments thereto, the "Registration Statement") under the Securities Act of 1933, as amended, with respect to the shares of Common Stock being offered hereby. This Prospectus, which is part of the Registration Statement, does not contain all of the information set forth in the Registration Statement and the exhibits and schedules thereto, certain items of which are omitted as permitted by the Rules and Regulations of the Commission. Statements contained in this Prospectus as to the contents of any contract or other document referred to herein are not necessarily complete, and in each instance in which a copy of such contract or other document has been filed as an exhibit to the Registration Statement, reference is made to such copy and each such statement is qualified in all respects by such reference.

As a result of this offering, the Company will be subject to the informational requirements of the Exchange Act, and, in accordance therewith, will file reports and other information with the Commission. A copy of the Registration Statement, the exhibits and schedules forming a part thereof and the reports and other information filed by the Company in accordance with the Exchange Act may be inspected without charge at the offices of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and at certain regional offices of the Commission located at Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661 and 7 World Trade Center, 13th Floor, New York, New York 10048. Copies of such material may also be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, upon payment of the fees prescribed by the Commission. Such material may also be accessed electronically by means of the Commission's home page on the Internet at http://www.sec.gov.

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Report of Independent Accountants

To the Board of Directors and Stockholder of Ingram Micro Inc.

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, of stockholder's equity and of cash flows present fairly, in all material respects, the financial position of Ingram Micro Inc. (a wholly-owned subsidiary of Ingram Industries Inc.) and its subsidiaries at December 31, 1994 and December 30, 1995, and the results of their operations and their cash flows for each of the three years in the period ended December 30, 1995, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Price Waterhouse Llp

Nashville, Tennessee February 29, 1996, except Note 12 as to which the date is June 25, 1996

Ingram Micro Inc. (A Wholly-owned Subsidiary of Ingram Industries Inc.)

Consolidated Balance Sheet (Dollars in Thousands, Except Per Share Data)

	FISCAL PERIOD END		
	1994	1995	MARCH 30, 1996 (UNAUDITED)
ASSETS			
Current assets:			
Cash	$ 58,369	$ 56,916	$ 37,575
Trade accounts receivable (less allowances of $25,668 in 1994, $30,791 in 1995 and $33,835 in 1996)	745,910	1,071,275	1,085,705
Inventories	995,880	1,582,922	1,451,805
Other current assets	68,717	88,503	94,443
Total current assets	1,868,876	2,799,616	2,669,528
Property and equipment, net	58,285	89,126	96,721
Goodwill, net	33,481	29,871	29,013
Other	13,647	22,285	23,768
Total assets	$1,974,289	$2,940,898	$2,819,030
LIABILITIES AND STOCKHOLDER'S EQUITY			
Current liabilities:			
Accounts payable	$1,100,598	$1,652,073	$1,543,113
Accrued expenses	94,505	121,572	125,517
Current maturities of long-term debt	10,724	6,332	14,234
Total current liabilities	1,205,827	1,779,977	1,682,864
Long-term debt	92,204	170,424	178,216
Due to Ingram Industries	449,355	673,792	617,862
Other	3,434	5,697	3,877
Total liabilities	1,750,820	2,629,890	2,482,819
Minority interest	2,125	213	2,671
Commitments and contingencies (Note 8)			
Stockholder's equity:			
Common Stock, $.20 par value, 60,000,000 shares authorized, 10,000,000 shares outstanding in 1994 and 1995	2,000	2,000	2,000
Additional paid in capital	21,500	21,500	21,500
Retained earnings	197,815	282,122	305,951
Cumulative translation adjustment	29	5,173	4,089
Total stockholder's equity	221,344	310,795	333,540
Total liabilities and stockholder's equity	$1,974,289	$2,940,898	$2,819,030

See accompanying notes to these consolidated financial statements.

Ingram Micro Inc. (A Wholly-owned Subsidiary of Ingram Industries Inc.)

Consolidated Statement of Income (Dollars in Thousands, Except Per Share Data)

	FISCAL YEAR			THIRTEEN WEEKS ENDED	
	1993	1994	1995	APRIL 1, 1995	MARCH 30, 1996
				(UNAUDITED)	
Net sales	$ 4,044,169	$ 5,830,199	$ 8,616,867	$ 1,879,530	$ 2,752,735
Cost of sales	3,714,527	5,391,224	8,011,181	1,747,135	2,566,170
Gross profit	329,642	438,975	605,686	132,395	186,565
Expenses:					
Selling, general and administrative	225,047	296,330	415,344	93,103	123,304
Charges allocated from Ingram Industries	1,567	2,355	3,461	825	1,583
Non-cash compensation charge					6,745
	226,614	298,685	418,805	93,928	131,632
Income from operations	103,028	140,290	186,881	38,467	54,933
Other (income) expense:					
Interest income	(407)	(937)	(3,479)	(1,223)	(340)
Interest expense	5,003	8,744	13,451	2,866	3,926
Interest expense charged by Ingram Industries	16,089	24,189	32,606	8,087	10,635
Net foreign currency exchange loss	111	6,873	7,751	3,717	226
Other	(623)	716	1,936	769	876
	20,173	39,585	52,265	14,216	15,323
Income before income taxes and minority interest	82,855	100,705	134,616	24,251	39,610
Provision for income taxes	31,660	39,604	53,143	9,572	15,853
Income before minority interest	51,195	61,101	81,473	14,679	23,757
Minority interest	840	(2,243)	(2,834)	(2,434)	(72)
Net income	$ 50,355	$ 63,344	$ 84,307	$ 17,113	$ 23,829
Pro forma earnings per share (unaudited)	$ 0.46	$ 0.55	$ 0.70	$ 0.14	$ 0.20

See accompanying notes to these consolidated financial statements.

Ingram Micro Inc. (A Wholly-owned Subsidiary of Ingram Industries Inc.)

CONSOLIDATED STATEMENT OF STOCKHOLDER'S EQUITY (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	COMMON STOCK		ADDITIONAL PAID IN	RETAINED	CUMULATIVE TRANSLATION	
	SHARES	AMOUNT	CAPITAL	EARNINGS	ADJUSTMENT	TOTAL
JANUARY 2, 1993	10,000,000	$2,000	$ 21,500	$ 84,116	$ 1,802	$109,418
Translation adjustment					(4,314)	(4,314)
Net income				50,355		50,355
JANUARY 1, 1994	10,000,000	2,000	21,500	134,471	(2,512)	155,459
Translation adjustment					2,541	2,541
Net income				63,344		63,344
DECEMBER 31, 1994	10,000,000	2,000	21,500	197,815	29	221,344
Translation adjustment					5,144	5,144
Net income				84,307		84,307
DECEMBER 30, 1995	10,000,000	2,000	21,500	282,122	5,173	310,795
Translation adjustment (unaudited)					(1,084)	(1,084)
Net income (unaudited)				23,829		23,829
MARCH 30, 1996 (UNAUDITED)	10,000,000	$2,000	$ 21,500	$305,951	$ 4,089	$333,540

See accompanying notes to these consolidated financial statements.

Ingram Micro Inc. (A Wholly-owned Subsidiary of Ingram Industries Inc.)

Consolidated Statement of Cash Flows (Dollars in Thousands, Except Per Share Data)

	FISCAL YEAR			THIRTEEN WEEKS ENDED	
	1993	1994	1995	APRIL 1, 1995	MARCH 30, 1996
				(UNAUDITED)	
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Net income	$ 50,355	$ 63,344	$ 84,307	$ 17,113	$ 23,829
Adjustments to reconcile net income to cash provided by operating activities:					
Depreciation and amortization	12,918	18,675	25,394	5,067	7,700
Deferred income taxes	(5,719)	(4,668)	(8,632)	(3,224)	(2,285)
Minority interest	840	(2,243)	(2,834)	(2,434)	(72)
Non-cash compensation charge					6,745
Changes in operating assets and liabilities, net of effects of acquisitions:					
Trade accounts receivable	(161,097)	(232,268)	(320,177)	(32,958)	(10,214)
Inventories	(143,738)	(345,511)	(580,116)	99,144	135,278
Other current assets	(2,881)	(12,846)	(15,877)	(3,948)	(4,635)
Accounts payable	184,787	411,012	543,822	(72,739)	(117,676)
Accrued expenses	22,830	17,452	22,828	7,181	(3,444)
Cash provided (used) by operating activities	(41,705)	(87,053)	(251,285)	13,202	35,226
CASH PROVIDED (USED) BY INVESTING ACTIVITIES:					
Purchase of property and equipment	(21,311)	(31,286)	(52,985)	(12,649)	(14,186)

Acquisitions, net of cash acquired.....	(21,447)	(15,088)			
Other.....	2,062	3,765	4,188	1,165	(1,926)
Cash used by investing activities.....	(40,696)	(42,609)	(48,797)	(11,484)	(16,112)
CASH PROVIDED (USED) BY FINANCING ACTIVITIES:					
Increase (decrease) in borrowings from Ingram Industries.....	83,635	103,580	224,437	(54,535)	(55,930)
Proceeds (repayment) of debt.....	1,410	(4,930)	(838)	480	238
Net borrowings under revolving credit facility.....	16,388	44,636	74,666	37,415	15,456
Minority interest investment.....					2,400
Cash provided (used) by financing activities.....	101,433	143,286	298,265	(16,640)	(37,836)
Effect of exchange rate changes on cash.....	84	354	364	889	(619)
Increase (decrease) in cash.....	19,116	13,978	(1,453)	(14,033)	(19,341)
Cash, beginning of year.....	25,275	44,391	58,369	58,369	56,916
Cash, end of period or year.....	$ 44,391	$ 58,369	$ 56,916	$ 44,336	$ 37,575
Supplementary disclosure of cash flow information:					
CASH PAYMENTS DURING THE QUARTER OR YEAR:					
Interest.....	$ 20,738	$ 32,528	$ 45,164	$ 10,861	$ 15,216
Income taxes.....	34,906	47,152	54,506	11,253	22,913
Cash payments include payments made to Ingram Industries for interest and U.S. income taxes					

See accompanying notes to these consolidated financial statements.

Ingram Micro Inc. (A Wholly-owned Subsidiary of Ingram Industries Inc.)

Notes to Consolidated Financial Statements (Dollars in Thousands, Except Per Share Data)

Note 1 -- Organization and Basis of Presentation

Ingram Micro Inc. (the "Company" or "Ingram Micro"), formerly Ingram Micro Holdings Inc. (refer to Note 12), is primarily engaged in wholesale distribution and marketing of microcomputer hardware and software products. The Company conducts the majority of its operations in North America and Europe. The Company is a wholly-owned subsidiary of Ingram Industries Inc. ("Ingram Industries"). In September 1995, Ingram Industries announced its intention to reorganize into three separate companies in a tax-free reorganization. As part of the reorganization, Ingram Industries will split-off the Company. The plan of reorganization is subject to, among other things, receipt of a satisfactory tax ruling from the Internal Revenue Service. The plan contemplates that certain of the Ingram Industries shareholders will exchange all or some of their shares of Ingram Industries for the outstanding shares of the Company held by Ingram Industries. The reorganization and exchange are referred to herein as the "Split-Off."

The accompanying consolidated financial statements have been prepared as if the Company had operated as an independent stand alone entity for all periods presented except the Company generally has not had significant borrowings in North America other than amounts due Ingram Industries. Refer to Notes 6 and 10 regarding related party transactions.

Note 2 -- Significant Accounting Policies

The Company's significant accounting policies which conform to generally accepted accounting principles applied on a consistent basis between years, are described below:

Basis of Consolidation The consolidated financial statements include the accounts of the Company, its wholly-owned and majority-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Fiscal Year

The fiscal year of the Company is a 52 or 53 week period ending on the Saturday nearest to December 31. All references herein to "1993," "1994" and "1995" represent the 52 week fiscal years ended January 1, 1994, December 31, 1994 and December 30, 1995, respectively.

Accounting Estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, disclosure of contingent liabilities at financial statement date and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Outstanding checks of $119,627 in 1994 and $72,868 in 1995 are included in accounts payable.

Revenue Recognition

Revenue is recognized at the time of product shipment. The Company, under specified conditions, permits its customers to return or exchange products. The provision for estimated sales returns is recorded concurrently with the recognition of revenue.

Ingram Micro Inc. (A Wholly-owned Subsidiary of Ingram Industries Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED) (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA) Vendor Programs Funds received from vendors for price protection, product rebates, marketing or training programs are recorded net of direct costs as

adjustments to product costs, reduction of selling, general and administrative expenses or revenue according to the nature of the program.

The Company does not provide warranty coverage of its product sales. However, to maintain customer relations, the Company facilitates domestic vendor warranty policies by accepting for exchange, with the Company's prior approval, most defective products within 90 days of invoicing. Defective products received by the Company are subsequently returned to the vendor for credit or replacement.

The Company generated approximately 17% of its sales in fiscal 1993, 18% in 1994 and 23% in 1995 from products purchased from two vendors.

Inventories

Inventories are stated at the lower of average cost or market.

Property and Equipment Property and equipment are recorded at cost and depreciated using the straight-line method over the following estimated useful lives:

Leasehold improvements	3-12 years
Distribution equipment	5-7 years
Computer equipment	2-5 years

Maintenance, repairs and minor renewals are charged to expense as incurred. Additions, major renewals and betterments to property and equipment are capitalized. Realization of carrying value is assessed periodically.

Goodwill

Goodwill is amortized on a straight-line basis over periods ranging from five to twenty years. Accumulated amortization was $9,846 at December 31, 1994 and $13,576 at December 30, 1995. The Company evaluates the recoverability of goodwill and reviews the amortization periods on an annual basis. Recoverability is measured on the basis of anticipated undiscounted cash flows from operations. At December 31, 1994 and December 30, 1995, no impairment was indicated.

Income Taxes

The temporary differences between the financial reporting basis and the income tax basis of the Company's assets and liabilities are provided in accordance with Statement of Financial Accounting Standards No. 109.

Foreign Currency Translation Financial statements of foreign subsidiaries are translated into U.S. dollars using the exchange rate at each balance sheet date for assets and liabilities and a weighted average exchange rate for each period for results of foreign operations. Translation adjustments are recorded as a separate component of stockholder's equity when the local currency is the functional currency. Translation adjustments are recorded in income

Ingram Micro Inc. (A Wholly-owned Subsidiary of Ingram Industries Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED) (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA) when the U.S. dollar is the functional currency. The U.S. dollar is the functional currency for the Company's subsidiaries in Mexico and Singapore.

Financial Instruments The carrying amounts of cash, accounts receivable, accounts payable and other accrued expenses approximate fair value because of the short maturity of these items.

The carrying amounts of intercompany payables and debt issued pursuant to bank credit agreements approximate fair value because interest rates on these instruments approximate current market interest rates.

Concentration of Credit Risk Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of trade accounts receivable and derivative financial instruments. Credit risk with respect to trade accounts receivable is limited due to the large number of customers and their dispersion across geographic areas. The Company sells its products primarily in the United States, Europe, Canada and Mexico. The Company performs ongoing credit evaluations of its customers' financial condition, utilizes flooring arrangements with third party financing companies, obtains credit insurance in certain locations and requires collateral in certain circumstances. The Company maintains an allowance for potential credit losses.

Derivative Financial Instruments The Company operates internationally with distribution facilities in various locations around the world. The Company uses derivative financial instruments to reduce its exposure to fluctuations in interest rates and foreign exchange rates by creating offsetting positions through the use of derivative financial instruments. The market risk related to the foreign exchange agreements is offset by changes in the valuation of the underlying items being hedged. The majority of the Company's derivative financial instruments have terms of 90 days or less. The Company currently does not use derivative financial instruments for trading or speculative purposes, nor is the Company a party to leveraged derivatives.

Derivative financial instruments are accounted for on an accrual basis. Income and expense are recorded in the same category as that arising from the related asset or liability being hedged. Gains and losses resulting from effective hedges of existing assets, liabilities or firm commitments are deferred and recognized when the offsetting gain and losses are recognized on the related hedged items. Written foreign currency options are used to mitigate currency risk in conjunction with purchased options. Gains or losses on written foreign currency options are adjusted to market value at the end of each accounting period and have not been material to date.

The notional amount of forward exchange contracts and options is the amount of foreign currency bought or sold at maturity. The notional amount of currency interest rate swaps is the underlying principal and currency amounts used in determining the interest payments exchanged over the life of the swap. Notional amounts are indicative of the extent of the Company's involvement in the various

types and uses of derivative financial instruments and are not a measure of the Company's exposure to credit or market risks through its use of derivatives. The estimated fair value of derivative financial instruments represents the amount required to enter into like off-setting contracts with similar remaining maturities based on quoted market prices.

Credit exposure is limited to the amounts, if any, by which the counterparties' obligations under the contracts exceed the obligations of the Company to the counterparties. Potential credit losses are minimized through careful evaluation of counterparty credit standing, selection of counterparties from a limited group of high quality institutions and other contract provisions.

Ingram Micro Inc. (A Wholly-owned Subsidiary of Ingram Industries Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED) (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA) Derivative financial instruments comprise the following:

	1994		1995	
	NOTIONAL AMOUNTS	ESTIMATED FAIR VALUE	NOTIONAL AMOUNTS	ESTIMATED FAIR VALUE
Foreign exchange forward contracts.....	$ 44,586	$ (384)	$109,218	$ (1,971)
Purchased foreign currency options.....	55,979	699	75,928	485
Written foreign currency options	77,298	(25)	121,183	(615)
Currency interest rate swaps.....	9,823	(543)	25,655	(1,056)

Employee Benefits

The Company participates in Ingram Industries' defined contribution plan covering substantially all U.S. employees. The plan permits eligible employees to make contributions up to certain limits and receive employer matching at stipulated percentages. The Company's contributions charged to expense were $716 in fiscal 1993, $764 in 1994 and $1,399 in 1995.

As a result of the Split-Off described in Note 1, the Company will establish its own employee benefit plans.

Pro Forma Earnings Per Share Historical earnings per share data are not presented as the historical capital structure (i.e. outstanding shares and par value) of Ingram Micro Holdings Inc. will be different from the Company's structure subsequent to the Company's reincorporation in Delaware as a result of the Split-Off described in Notes 1 and 12. Pro forma earnings per share is determined based on the number of common stock and common stock equivalents the Company is expected to have after the exchange in addition to all dilutive common stock and common stock equivalent shares issued within 12 months of the public offering. Pursuant to the Securities and Exchange Commission Staff Accounting Bulletins and Staff policy, such amounts are treated as if they were outstanding for all periods presented using the treasury stock method. The number of common shares used to compute the unaudited pro forma earnings per share amounts for each of the three fiscal years in the period ended December 30, 1995 and the thirteen weeks ended April 1, 1995 and March 30, 1996 is as follows:

WEIGHTED AVERAGE FISCAL PERIOD ENDED COMMON SHARES

January 1, 1994	109,354,283
December 31, 1994	115,320,581
December 30, 1995	120,064,648
April 1, 1995	119,838,975
March 30, 1996	120,586,475

Supplementary Earnings Per Share Supplementary per share data (unaudited) is presented to give effect to the repayment of certain indebtedness assumed by the Company in satisfaction of amounts due to Ingram Industries. Net income is adjusted by $12,601 and $2,853 for 1995 and the thirteen weeks ended March 30, 1996, to reflect the reduction in interest expense (net of tax) related to the indebtedness assumed by the Company.

The weighted average shares outstanding (unaudited) used to calculate supplementary pro forma earnings per share are based on weighted average shares outstanding at December 30, 1995 and March 30, 1996, respectively, as adjusted for 20,000,000 shares of Class A Common Stock being sold in the offering and

Ingram Micro Inc. (A Wholly-owned Subsidiary of Ingram Industries Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED) (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA) 2,775,000 shares of Class B Common Stock sold in the Employee Offering (see Note 12) to repay certain indebtedness of the Company.

Unaudited supplementary pro forma earnings per share for the fiscal periods ended December 30, 1995 and March 30, 1996 is $0.69 and $0.19, respectively.

Interim Financial Information The accompanying interim financial statements have been prepared without audit, and certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted, although the Company believes that the disclosures herein are adequate to make information presented not misleading. These statements should be read in conjunction with the Company's financial statements for the year ended December 30, 1995. The results of operations for the three month period is not necessarily indicative of results for the full year.

In the opinion of management, the accompanying interim financial statements contain all adjustments of a normal and recurring nature necessary for a fair presentation of the Company's financial position as of March 30, 1996, its results of operations for the thirteen weeks ended April 1, 1995 and March 30, 1996, and its cash flows for the thirteen weeks ended April 1, 1995 and March 30, 1996.

Note 3 -- Acquisitions

The Company acquired 70% of the stock of Distribuidora de Computo, S.A. de C.V. ("Dicom"), in January 1993, for $9,327 cash and amounts payable to the sellers of $2,475. Dicom is located in Mexico and is engaged in wholesale distribution. The assets acquired were $32,383 and liabilities assumed were $21,468.

The Company also acquired four separate wholesale distributors in Germany, the United Kingdom, Belgium and the Netherlands in 1993. The combined consideration for the assets or common stock purchased was $12,120 cash and $2,364 of notes payable to sellers. The acquired companies had assets of $10,810 and liabilities of $80.

In April and August 1994, the Company acquired two separate wholesale distributors (Keylan S.A. and Datateam Sverige AB) with operations in Spain, Sweden, Denmark and Norway. The combined consideration paid was $15,088 cash and $5,279 of notes payable to the sellers. The acquired companies had assets of $48,748 and liabilities of $35,034.

The acquisitions described above have been accounted for using the purchase method of accounting. The purchase price has been allocated to the assets purchased and liabilities assumed based on fair values at the date of acquisition. The excess of the purchase price over fair value of net assets acquired in 1993 was $7,916 and in 1994 was $6,653 and was recorded as goodwill.

The operating results of these acquired businesses have been included in the consolidated statement of income from the date of acquisition. Pro forma results of operations have not been presented because the effects of these acquisitions were not significant.

Note 4 -- Accounts Receivable

Effective February 1993, the Company entered into an arrangement with Ingram Industries whereby the Company sells all of its domestic trade accounts receivable to Ingram Industries on an ongoing basis ($665,325 at December 30, 1995). Ingram Industries transfers certain trade accounts receivable from the Company and other Ingram Industries affiliates to a trust which sells certificates representing undivided interests in the total pool of trade receivables without recourse. Ingram Industries' arrangement with the trust

Ingram Micro Inc. (A Wholly-owned Subsidiary of Ingram Industries Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED) (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA) extends to December 31, 1997 and renews biannually under an evergreen provision up to a maximum term of twenty years. At December 31, 1994 and December 30, 1995, the accounts receivable and due to Ingram Industries amounts in the Company's

consolidated balance sheet have not been reduced to reflect the sale of such receivables. As a result of the Split-Off described in Note 1, it is anticipated that Ingram Industries' accounts receivable securitization agreement will be assumed by the Company.

Note 5 -- Property and Equipment

Property and equipment consists of the following:

	1994	1995	MARCH 30, 1996 (UNAUDITED)
Land	$ 2,274	$ 2,359	$ 2,329
Leasehold improvements	17,448	26,381	26,968
Distribution equipment	39,814	62,462	71,034
Computer equipment	40,579	59,161	64,157
	100,115	150,363	164,488
Accumulated depreciation	(41,830)	(61,237)	(67,767)
	$ 58,285	$ 89,126	$ 96,721

Depreciation expense was $10,927 in fiscal 1993, $15,756 in 1994 and $21,785 in 1995.

Note 6 -- Long-term Debt and Due to Ingram Industries

Ingram Industries manages most treasury activities, including the arrangement of short-term and long-term financing on a centralized, consolidated basis. Using a centralized cash management system, the Company's domestic cash receipts are remitted to Ingram Industries and domestic cash disbursements are funded by Ingram Industries on a daily basis. The Company's historical financial statements reflect funding provided by Ingram Industries to the Company, and net cash used by the Company, as amounts due to Ingram Industries. At December 31, 1994 and December 30, 1995, amounts due to Ingram Industries are classified as long-term due to the terms of the underlying debt at Ingram Industries.

Ingram Industries charges the Company interest expense on the outstanding intercompany balance based on Ingram Industries' domestic weighted average cost of funds. The average rate was 6.93% in fiscal 1993, 6.99% in 1994 and 7.38% in 1995.

The Company and other Ingram Industries affiliates participate in Ingram Industries' unsecured revolving credit agreement with a syndicate of banks. Under this agreement, Ingram Industries and its affiliates may borrow in various currencies up to $380,000 at various money market and bid rates. The weighted average borrowing rate was 6.84% at December 31, 1994 and 7.00% at December 30, 1995. The agreement extends to December 31, 1999, and is renewable for an additional two year period during the year prior to expiration. The agreement is guaranteed by certain subsidiaries of the Company and other Ingram Industries affiliates. At December 30, 1995, outstanding aggregate borrowings were $229,716, of which $167,176 is specifically related to amounts drawn by the Company's subsidiaries.

The Company's subsidiaries outside the United States have lines of credit and short-term overdraft facilities aggregating $93,527 various banks worldwide. Most of these arrangements are reviewed periodically for renewal. At December 30, 1995, the Company had $5,782 outstanding under these facilities.

Ingram Micro Inc. (A Wholly-owned Subsidiary of Ingram Industries Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED) (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA) In addition to the guarantee described above, the Company has guaranteed certain other borrowings of Ingram Industries totaling $328,572. Included within this amount are (i) amounts outstanding on an unsecured temporary revolving credit facility that provides for borrowings up to $200,000 at specified variable rates and expires on the earlier of December 31, 1996 or five days after the successful completion of an initial public offering and (ii) $190 million of fixed maturity, privately placed debt with maturities from November 1, 1996 to November 1, 2002. As a result of the Split-Off described in Notes 1 and 12, it is anticipated that certain of the debt facilities guaranteed will be assumed by the Company in satisfaction of the amounts payable to Ingram Industries.

Under the most restrictive provisions of the loan agreements, Ingram Industries is required to maintain certain levels of stockholders' equity, a certain current ratio and a certain debt to capital ratio and is subject to certain dividend restrictions. During 1994 and 1995, Ingram Industries was in compliance with the provisions of these agreements.

Long-term debt consists of the following:

	1994	1995	MARCH 30, 1996 (UNAUDITED)
Revolving credit facility	$ 87,568	$167,176	$175,161
Overdraft facilities	10,724	5,782	13,253
Other	4,636	3,798	4,036
	102,928	176,756	192,450
Less current maturities of long-term debt	(10,724)	(6,332)	(14,234)
	$ 92,204	$170,424	$178,216

Annual maturities of long-term debt as of December 30, 1995 are as follows:

1996	$ 6,332
1997	364
1998	388
1999	167,566
2000 and thereafter	2,106
	$176,756

Note 7 -- Income Taxes

The components of income before taxes and minority interest consist of the following:

Fiscal Year 1993 1994 1995

United States	$85,044	$ 99,701	$124,277
Foreign	(2,189)	1,004	10,339
Total	$82,855	$100,705	$134,616

Ingram Micro Inc. (A Wholly-owned Subsidiary of Ingram Industries Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED) (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA) The provision for income taxes consists of the following:

Fiscal Year 1993 1994 1995

Current:			
Federal	$30,268	$35,989	$44,615
State	4,721	4,060	9,544
Foreign	2,390	4,223	7,616
	37,379	44,272	61,775
Deferred:			
Federal	(1,929)	(2,472)	(4,082)
State	(198)	136	(949)
Foreign	(3,592)	(2,332)	(3,601)
	(5,719)	(4,668)	(8,632)
Total income tax provision	$31,660	$39,604	$53,143

Deferred income taxes reflect the tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

Fiscal Year 1993 1994 1995

Deferred tax assets:			
Tax in excess of book basis of foreign operations	$ 9,837	$13,816	$19,511
Accruals not currently deductible	7,840	9,275	12,734
Inventories	2,724	3,538	5,876
Other	293	263	492
Total	$20,694	$26,892	$38,613
Deferred tax liabilities:			
Depreciation	$ 1,324	$ 958	$ 1,564

Current deferred tax assets of $15,130 and $19,307 are included in other current assets at December 31, 1994 and December 30, 1995, respectively. Non-current deferred tax assets of $11,762 and $19,306 are included in other assets at December 31, 1994 and December 30, 1995, respectively.

Reconciliation of the statutory U.S. federal income tax rate to the Company's effective rate is as follows:

Fiscal Year 1993 1994 1995

U.S. statutory rate	35.0%	35.0%	35.0%
State income taxes, net of federal income tax benefit	3.3	2.8	3.9
Other	(.1)	1.5	.6
Effective tax rate	38.2%	39.3%	39.5%

The Company is included in the consolidated federal income tax return filed by Ingram Industries. Taxes related to the Company are determined on a separate entity basis and taxes payable are remitted to Ingram

Ingram Micro Inc. (A Wholly-owned Subsidiary of Ingram Industries Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED) (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA) Industries every two months. Taxes payable to Ingram Industries of $4,089 at December 31, 1994 and $14,303 at December 30, 1995 are included in accrued expenses in the consolidated balance sheet.

At December 30, 1995, the Company had foreign net operating tax loss carryforwards of $49,264 of which approximately one third have no expiration date.

The Company does not provide for U.S. federal income taxes on undistributed earnings of foreign subsidiaries as such earnings are intended to be permanently reinvested in those operations.

Note 8 -- Commitments and Contingencies

There are various claims, lawsuits and pending actions against the Company incident to the Company's operations. It is the opinion of management that the ultimate resolution of these matters will not have a material effect on the Company's financial position or results of operations.

The Company has arrangements with certain finance companies which provide accounts receivable and inventory financing facilities for its customers. The Company assesses the financial stability of the finance companies and payment terms are within 3 to 30 days of product shipment. In conjunction with certain of these arrangements, the Company has inventory repurchase agreements with the finance companies that would require it to repurchase certain inventory which might be repossessed from the customers by the finance companies. Such repurchases have been insignificant to date.

The Company leases the majority of its facilities and certain equipment under noncancelable operating leases. Renewal and purchase options at fair values exist for a substantial portion of the leases. Rental expense for the years ended January 1, 1994, December 31, 1994 and December 30, 1995 was

$11,939, $16,574 and $28,367, respectively. Future minimum rental commitments on operating leases that have remaining noncancelable lease terms in excess of one year as of December 30, 1995 are as follows:

1996	$21,507
1997	18,614
1998	16,693
1999	14,912
2000	9,912
Later years	54,104

Ingram Micro Inc. (A Wholly-owned Subsidiary of Ingram Industries Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED) (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

Note 9 -- Segment Information

The Company operates predominantly in a single industry segment as a wholesale distributor of microcomputer hardware and software. Geographic areas in which the Company operates include the United States (United States and the majority of the Company's exports), Europe (Belgium, Denmark, France, Germany, Italy, the Netherlands, Norway, Spain, Sweden and the United Kingdom) and Other (Canada, Mexico and Singapore). Transfers between geographic areas primarily represent intercompany sales and are accounted for based on established sales prices between the related companies. Net sales, income (loss) from operations and identifiable assets by geographic area are as follows:

Fiscal Year 1993 1994 1995

NET SALES:			
United States:			
Sales to unaffiliated customers	$3,118,316	$4,122,338	$5,969,749
Transfers between geographic areas	60,358	76,696	86,961
Europe	485,126	1,078,250	1,849,129
Other	440,727	629,611	797,989
Eliminations	(60,358)	(76,696)	(86,961)
Total	$4,044,169	$5,830,199	$8,616,867
INCOME (LOSS) FROM OPERATIONS:			
United States	$ 98,669	$ 123,796	$ 156,749
Europe	(3,246)	8,079	19,576
Other	7,605	8,415	10,556
Total	$ 103,028	$ 140,290	$ 186,881
IDENTIFIABLE ASSETS:			
United States	$ 945,699	$1,381,798	$1,996,642
Europe	190,892	393,346	669,309
Other	159,772	199,145	274,947
Total	$1,296,363	$1,974,289	$2,940,898

No single customer accounts for 10% or more of the Company's net sales.

Note 10 -- Transactions with Related Parties

Ingram Industries provides certain corporate, general and administrative services to the Company in addition to treasury activities described in Note 6 (including, but not limited to, legal, tax, employee benefits and electronic data processing services). Charges for these services are based upon utilization and at amounts which management believes are less than the amounts which the Company would incur as a stand-alone entity. Such amounts are reflected as charges allocated from Ingram Industries on the consolidated statement of income.

Ingram Industries also provides guarantees to certain of the Company's vendors and for certain of the Company's leases; no charges from Ingram Industries have been reflected in the Company's financial statements for such guarantees.

Ingram Micro Inc. (A Wholly-owned Subsidiary of Ingram Industries Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED) (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA) The Company leases warehouse and office space from certain shareholders of Ingram Industries. Total rental payments were $729 in fiscal 1993, $784 in 1994 and $1,645 in 1995.

Other transactions with Ingram Industries affiliates includes sales of $1,664 in fiscal 1993, $3,056 in 1994 and $5,281 in 1995.

Note 11 -- Stock Options and Incentive Plans

Certain of the Company's employees participate in Ingram Industries' qualified and non-qualified stock option and SAR plans. Ingram Industries' plans provide for the grant of options and SARs at fair value. In conjunction with the Split-Off, Ingram Industries options held by the Company's employees and certain other Ingram Industries options and SARs will be converted to Ingram Micro options ("Rollover Stock Options") to purchase Class B Common Stock. Upon conversion, approximately 11,000,000 Rollover Stock Options will be outstanding. The Rollover Stock Options have exercise prices ranging from $0.66 to $3.32 per share, the majority will be fully vested by the year 2000 and expire no later than 10 years from the date of grant. The Company recorded a non-cash compensation charge of approximately $6,745 or $4,115 net of tax, in the first quarter of 1996 related to the vested portion of certain Rollover Stock Options. This charge was based on the difference between the estimated fair value of such options in the first quarter of 1996 and the exercise price of such options.

The Company will adopt Statement of Financial Accounting Standards No. 123, "Accounting for Stock Based Compensation" ("FAS 123") in 1996. As permitted by FAS 123, the Company will continue to measure compensation cost in accordance with Accounting Principles Board Opinion No. 25,

"Accounting for Stock Issued to Employees." Therefore, the adoption of FAS 123 will have no impact on the Company's financial condition or results of operations.

The Company has two Incentive Stock Unit ("ISU") plans available to grant up to 1,575,000 ISUs to certain key employees. Subject to continued employment, these stock appreciation awards vest over five years and actual cash payout is based on the increase in book value from date of award grant. Outstanding ISUs at January 1, 1994, December 31, 1994 and December 30, 1995 were 748,200, 221,000 and 25,100, respectively. The amounts charged to expense related to these incentive stock unit plans totaled $3,354 in fiscal 1993, $2,163 in 1994 and $695 in 1995. There were no grants made under the ISU plans in 1995.

The Company will establish its separate stock option and incentive plans in conjunction with the Split-Off. Refer to Note 12.

Note 12 -- Subsequent Events

Formation of Ingram Micro Inc.

On April 29, 1996, a Delaware corporation, Ingram Micro Inc., was formed to hold all of the outstanding stock of Ingram Micro Holdings Inc. ("Holdings"). It is the Company's plan to merge with and into such Delaware corporation prior to the effective date of a registration statement on Form S-1 filed with the Securities and Exchange Commission. The proposed merger will not impact the Company's financial statements, except for certain reclassifications within stockholders' equity to reflect the capital structure described herein. This change will be reflected in the Company's second quarter of 1996.

Ingram Micro Inc., a Delaware corporation, has two classes of common stock consisting of 265,000,000 shares of $0.01 par value Class A Common Stock, 135,000,000 shares of $0.01 par value Class B Common Stock and 1,000,000 shares of $0.01 par value Preferred Stock. Class A stockholders are entitled to one vote on each matter to be voted on by the shareholders whereas the Class B stockholders are entitled to ten votes

Ingram Micro Inc. (A Wholly-owned Subsidiary of Ingram Industries Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED) (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA) on each matter to be voted on by the shareholders. The two classes of stock have similar rights in all other respects. Each share of Class B Common Stock may at any time be converted to a share of Class A Common Stock; however, conversion will occur automatically on the earliest to occur of (i) the fifth anniversary of the consummation of the Split-Off pursuant to the Exchange Agreement; (ii) the sale of Class B Common Stock to any person not provided for under the provisions of the Board Representation Agreement; or (iii) the date on which

the number of shares of Class B Common Stock then outstanding represents less than 25% of the aggregate number of shares of Class A Common Stock and Class B Common Stock then outstanding. As a result of the formation of the Delaware corporation, the Company will have approximately 108,000,000 shares of Class B Common Stock outstanding. The Company made a $20,000 distribution to Ingram Industries in the second quarter of 1996.

Key Employee Stock Purchase Plan As of April 30, 1996, the Company adopted the Key Employee Stock Purchase Plan (the "Plan") which provides for the issuance of up to 4,000,000 shares of Class B Common Stock to certain employees. In June 1996, the Company offered 2,775,000 shares of its Class B Common Stock to certain employees pursuant to the Plan, with expected net proceeds of approximately $19,025. Up to an additional 1,118,000 shares remain available for issuance pursuant to the Plan. The shares sold thereby are subject to vesting and certain restrictions on transfer, may be redeemable prior to vesting and are subject to repurchase by the Company upon termination of employment. In addition, the Company granted, pursuant to this Plan, 107,000 restricted shares of Class B Common Stock to certain officers and employees of the Company. These shares are subject to vesting. Prior to vesting, these restricted grant shares are subject to forfeiture to the Company without consideration.

1996 Equity Incentive Plan As of April 30, 1996, the Company adopted the 1996 Equity Incentive Plan and Ingram Industries approved the grant of options under this plan. In June 1996, the Company issued options at $7.00 per share to purchase an aggregate of approximately 4,900,000 shares of Class B Common Stock under its Equity Incentive Plan to all eligible employees of the Company. These options vest and generally become exercisable over five years from the issue date and expire eight years after the issue date.

Split-Off, Reorganization and Exchange The Company plans to engage in a Split-Off, consisting of a Reorganization and an Exchange, from Ingram Industries and Ingram Entertainment. Pursuant to the Reorganization Agreement it is contemplated that the Company will retain all of the assets and liabilities associated with the Company's business and will indemnify Ingram Industries and Ingram Entertainment for all liabilities related to the Company's business and operations or otherwise assigned to the Company. In addition the Reorganization Agreement provides for the sharing by the Company of approximately 73% of certain contingent assets and liabilities not allocated to one of the parties. The Company will assume a portion of Ingram Industries' debt in return for the extinguishment of intercompany indebtedness. The debt to be assumed by the Company includes (i) an accounts receivable securitization program which will be transferred to the Company subsequent to the Split-Off; (ii) $190,000 of privately placed term debt; and (iii) certain borrowings on the existing Ingram Industries' $380,000 revolving credit facility which will be amended to reflect the Company as sole borrower. Ingram Industries and Ingram Entertainment will guarantee the amended credit facility until such time as the Company has received at least $250,000 in qualifying new equity. Ingram Industries and Ingram Entertainment will receive a fee for such guarantees.

Ingram Micro Inc. (A Wholly-owned Subsidiary of Ingram Industries Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED) (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA) In connection with the Reorganization Agreement, the Company is expected to enter into an employee benefit transfer, assumption and service agreement with Ingram Industries and Ingram Entertainment which will provide for the allocation of employee benefit assets and liabilities on a pro rata basis to each of the parties of the Split-Off. It is also contemplated that the Company will enter into a Tax Sharing Agreement. This Agreement will hold the Company liable for its allocable share of the consolidated federal and state income tax liability for the year that includes the Split-Off and approximately 73% of any adjustment in excess of reserves already established by Ingram Industries for past federal or state tax liabilities of the Company, Ingram Industries or Ingram Entertainment. In addition, the Company will share in any refunds received. The Company will also enter into a Transitional Service Agreement related to certain administration services including data processing.

In conjunction with the Reorganization, the Company will consummate an Exchange Agreement pursuant to which the existing shareholders of Ingram Industries may exchange all or a portion of their shares of Ingram Industries common stock for shares of Class B Common Stock of the Company and/or common stock of Entertainment of equivalent value. If all stockholders were to exchange all eligible shares, they would receive approximately 108,000,000 shares of Class B Common Stock. Pursuant to a Transfer Restrictions Agreement, the shares of Class B Common Stock received by employees of the Company, Ingram Industries or Ingram Entertainment in the Exchange are expected to be subject to repurchase by the Company upon termination of employment. The repurchase feature lapses upon consummation of an initial public offering.

[Alternate Page for International Prospectus]

PROSPECTUS (Subject to Completion) Issued July 19, 1996 20,000,000 Shares

[Ingram Micro Logo]

Class a Common Stock

OF THE 20,000,000 SHARES OF CLASS A COMMON STOCK (THE "COMMON STOCK") OFFERED HEREBY, 4,000,000 SHARES ARE BEING OFFERED INITIALLY OUTSIDE THE UNITED STATES AND CANADA BY THE INTERNATIONAL UNDERWRITERS, AND 16,000,000 SHARES ARE BEING OFFERED INITIALLY IN THE UNITED STATES AND CANADA BY THE U.S. UNDERWRITERS. SEE "UNDERWRITERS." ALL OF THE SHARES OF COMMON STOCK OFFERED HEREBY ARE BEING ISSUED AND SOLD BY THE COMPANY. PRIOR TO THE

OFFERING, THERE HAS BEEN NO PUBLIC MARKET FOR THE COMMON STOCK OF THE COMPANY. IT IS CURRENTLY ESTIMATED THAT THE INITIAL PUBLIC OFFERING PRICE WILL BE BETWEEN $ AND $ PER SHARE. SEE "UNDERWRITERS" FOR A DISCUSSION OF THE FACTORS TO BE CONSIDERED IN DETERMINING THE INITIAL PUBLIC OFFERING PRICE. THE COMPANY HAS TWO CLASSES OF AUTHORIZED COMMON STOCK, THE COMMON STOCK OFFERED HEREBY AND CLASS B COMMON STOCK (THE "CLASS B COMMON STOCK," AND COLLECTIVELY WITH THE COMMON STOCK, THE "COMMON EQUITY"). THE RIGHTS OF HOLDERS OF COMMON STOCK AND CLASS B COMMON STOCK ARE IDENTICAL EXCEPT FOR VOTING AND CONVERSION RIGHTS AND RESTRICTIONS ON TRANSFERABILITY. HOLDERS OF THE COMMON STOCK ARE ENTITLED TO ONE VOTE PER SHARE, AND HOLDERS OF THE CLASS B COMMON STOCK ARE ENTITLED TO TEN VOTES PER SHARE ON MOST MATTERS SUBJECT TO STOCKHOLDER VOTE. UPON THE CLOSING OF THIS OFFERING, THE INGRAM STOCKHOLDERS (AS DEFINED HEREIN) WILL HAVE APPROXIMATELY 80.0% OF THE COMBINED VOTING POWER OF THE COMMON EQUITY (79.8% IF THE U.S. UNDERWRITERS EXERCISE THEIR OVER-ALLOTMENT OPTION IN FULL). APPLICATION HAS BEEN MADE FOR THE COMMON STOCK TO BE LISTED ON THE NEW YORK STOCK EXCHANGE UNDER THE SYMBOL "IM."

SEE "RISK FACTORS" BEGINNING ON PAGE 7 FOR A DISCUSSION OF CERTAIN RISKS ASSOCIATED WITH THE OFFERING.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Price $ a Share

	PRICE TO PUBLIC	UNDERWRITING DISCOUNTS AND COMMISSIONS(1)	PROCEEDS TO COMPANY(2)
Per Share	$	$	$
Total(3)	$	$	$

(1) The Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

(2) Before deducting expenses payable by the Company estimated at $1,500,000.

(3) The Company has granted to the U.S. Underwriters an option, exercisable within 30 days of the date hereof, to purchase up to an aggregate of 3,000,000 additional Shares at the price to public less underwriting discounts and commissions, for the purpose of covering over-allotments, if any. If the U.S. Underwriters exercise such option in full, the total price to public, underwriting discounts and commissions, and proceeds to Company will be $, $ and $, respectively. See "Underwriters."

The Shares are offered, subject to prior sale, when, as and if accepted by the Underwriters named herein and subject to approval of certain legal matters by Wilson Sonsini Goodrich & Rosati, counsel for the Underwriters. It is expected that delivery of the Shares will be made on or about , 1996 at the office of Morgan Stanley & Co. Incorporated, New York, New York, against payment therefor in immediately available funds.

MORGAN STANLEY & CO. International

Alex. Brown & Sons International

Hambrecht & Quist

The Robinson-humphrey Company, Inc.

J.c. Bradford & Co. , 1996

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

Part Ii

Information Not Required in Prospectus

Item 13. Other Expenses of Issuance and Distribution.

An itemized statement of the estimated amount of the expenses, other than underwriting discounts and commissions, incurred and to be incurred in connection with the issuance and distribution of the securities registered pursuant to this Registration Statement is as follows:

Securities and Exchange Commission registration fee.....	$ 111,034
NYSE listing fee.....	*
NASD filing fee.....	30,500

Printing and engraving expenses		*
Accounting fees and expenses		*
Legal fees and expenses		*
Transfer Agent fees and expenses		*
Blue Sky fees and expenses and legal fees		*
Miscellaneous		*
Total	$	*

* To be completed by amendment.

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law (the "DGCL") provides, in effect, that any person made a party to any action by reason of the fact that he is or was a director, officer, employee or agent of the Company may and, in certain cases, must be indemnified by the Company against, in the case of a non- derivative action, judgments, fines, amounts paid in settlement and reasonable expenses (including attorneys' fees) incurred by him as a result of such action, and in the case of a derivative action, against expenses (including attorneys' fees), if in either type of action he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. This indemnification does not apply, in a derivative action, to matters as to which it is adjudged that the director, officer, employee or agent is liable to the Company, unless upon court order it is determined that, despite such adjudication of liability, but in view of all the circumstances of the case, he is fairly and reasonably entitled to indemnity for expenses, and, in a non-derivative action, to any criminal proceeding in which such person had reasonable cause to believe his conduct was unlawful.

Section 102 of the DGCL allows the Company to eliminate or limit the personal liability of a director to the Company or to any of its stockholders for monetary damage for a breach of fiduciary duty as a director, except in the case where the director (i) breaches such person's duty of loyalty to the Company or its stockholders, (ii) fails to act in good faith, engages in intentional misconduct or knowingly violates a law, (iii) authorizes the payment of a dividend or approves a stock purchase or redemption in violation of Section 174 of the DGCL or (iv) obtains an improper personal benefit. Article Tenth of the Company's Certificate of Incorporation includes a provision which eliminates directors' personal liability to the fullest extent permitted under the Delaware General Corporation Law.

Article Tenth of the Company's Certificate of Incorporation provides that the Company shall indemnify any person (and the heirs, executors or administrators of such person) who was or is a party or is threatened to be made a party to, or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director or officer of the Company or is or was serving at the request of the Company as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, to the fullest extent permitted by Delaware Law. Each such indemnified party shall have the right to be paid by the Company for any expenses incurred in connection with any such proceeding in advance of its final disposition to the fullest extent authorized by Delaware Law. Article Tenth of the Company's Certificate of Incorporation also provides that the Company may, by action of its Board of

Directors, provide indemnification to such of the employees and agents of the Company to such extent and to such effect as the Board of Directors shall determine to be appropriate and authorized by Delaware Law.

Reference is made to the underwriting agreement to be filed as an Exhibit hereto, pursuant to which the Underwriters will agree to indemnify officers and directors of the Company against certain liabilities under the Securities Act.

As permitted by Delaware Law and the Company's Certificate of Incorporation, the Company maintains insurance covering its directors and officers against certain liabilities incurred by them in their capacities as such, including among other things, certain liabilities under the Securities Act of 1933, as amended. In addition, the Company expects to enter into indemnification agreements with its directors and officers prior to the closing of this offering.

Item 15. Recent Sales of Unregistered Securities

In July 1996, the Company sold 2,775,000 shares of Class B Common Stock to certain of its employees for $19,025,000 (net of offering costs). The shares were issued without registration under the Securities Act in reliance upon the exemptions from registration afforded by Section 4(2) of the Securities Act, and Regulation D and Regulation S promulgated under the Securities Act. All such shares were issued pursuant to the Company's Key Employee Stock Purchase Plan and are subject to certain restrictions.

Reference is made to "Management -- Rollover Plan" and "The Split-Off -- The Exchange" regarding shares, and options exercisable for shares, of the Company's Class B Common Stock, to be issued in connection with the Exchange, the purchasers thereof and the consideration therefor. Such issuances will occur without registration under the Securities Act in reliance upon the exemption from registration afforded by Section 4(2) of the Securities Act.

Item 16. Exhibits and Financial Statement Schedules.

(a) LIST OF EXHIBITS.

1.01 -- Form of Underwriting Agreement* 3.01 -- Form of Certificate of Incorporation of the Registrant 3.02 -- Form of Bylaws of the Registrant 4.01 -- Specimen Certificate for the Class A Common Stock, par value $0.01 per share, of the Registrant* 5.01 -- Opinion of Davis Polk & Wardwell* 10.01 -- Reorganization Agreement dated , 1996 among the Company, Ingram Industries, and Ingram Entertainment* 10.02 -- Master Services Agreement dated , 1996 among the Company, Ingram Industries, and Ingram Entertainment* 10.03 -- Tax Sharing and Services Agreement dated , 1996 among the Company, Ingram Industries, and Ingram Entertainment* 10.04 -- Employee Benefits Transfer and Assumption Agreement dated , 1996 among the Company, Ingram Industries, and Ingram Entertainment* 10.05 -- Form of Registration Rights Agreement* 10.06 -- Amended Credit Facility* 10.07 -- Severance Agreement dated as of June 1, 1996 among Ingram Industries, Ingram Entertainment, the Company, and Linwood A. Lacy, Jr.* 10.08 -- Ingram Micro Inc. Key Employee

Stock Purchase Plan 10.09 -- Ingram Micro Inc. 1996 Equity Incentive Plan 10.10 -- Ingram Micro Inc. Amended 1996 Equity Incentive Plan* 10.11 -- Ingram Micro Inc. Executive Incentive Bonus Plan* 10.12 -- Agreement dated as of between the Company and Jeffrey R. Rodek* 10.13 -- Agreement dated as of between the Company and Sanat Dutta* 11.01 -- Statement Regarding Computation of Earnings Per Share* 21.01 -- Subsidiaries of the Registrant* 23.01 -- Consent of Price Waterhouse LLP 23.02 -- Consent of Davis Polk & Wardwell (included in their opinion filed as Exhibit 5.01)* 24.01 -- Powers of Attorney of certain officers and directors of the Registrant (filed herewith on the signature page) 27.01 -- Financial Data Schedule (EDGAR version only) * To be filed by amendment.

(b) FINANCIAL STATEMENT SCHEDULES See Schedule II on page S-1. All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable or the information is contained in the Consolidated Financial Statements and related notes and therefore have been omitted.

Item 17. Undertakings.

The undersigned registrant hereby undertakes that:

(1) It will provide to the underwriter at the closing specified in the underwriting agreements certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(2) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Company of expenses incurred or paid by a director, officer or controlling person of the Company in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Company will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(3) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(4) For the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona

fide offering thereof.

Signatures

Pursuant to the requirements of the Securities Act of 1933, Ingram Micro Inc. has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Santa Ana, State of California, on this 18th day of July, 1996.

Ingram Micro Inc.

By: /s/ JEFFREY R. RODEK Name: Jeffrey R. Rodek Title: President and Chief Operating Officer; Director

Power of Attorney

The Registrant and each person whose signature appears below constitutes and appoints John R. Ingram, James E. Anderson, Jr. and Michael J. Grainger, and any agent for service named in this Registration Statement and each of them, his, her, or its true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him, her, or it and in his, her, or its name, place and stead, in any and all capacities, to sign and file (i) any and all amendments (including post-effective amendments) to this Registration Statement, with all exhibits thereto, and other documents in connection therewith, and (ii) a registration statement, and any and all amendments thereto, relating to the offering covered hereby filed pursuant to Rule 462(b) under the Securities Act of 1933, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and things requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he, she, or it might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATES INDICATED.

Signature Title Date

/s/ MARTHA R. INGRAM Martha R. Ingram	Chairman of the Board of Directors	July 18, 1996
/s/ JOHN R. INGRAM John R. Ingram	Chief Executive Officer (Principal Executive Officer); Director	July 18, 1996
/s/ MICHAEL J. GRAINGER Michael J. Grainger	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	July 18, 1996
/s/ JEFFREY R. RODEK	President and Chief Operating	July 18, 1996

----------	Officer; Director	
Jeffrey R. Rodek		
/s/ DAVID R. DUKES	Vice Chairman; Director	July 18, 1996
David R. Dukes		
/s/ DAVID B. INGRAM	Director	July 18, 1996
David B. Ingram		
/s/ PHILIP M. PFEFFER	Director	July 18, 1996
Philip M. Pfeffer		

Ingram Micro Inc.

Schedule Ii -- Valuation and Qualifying Accounts (In Thousands)

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	CHARGED TO COSTS AND EXPENSES	OTHER(*)	DEDUCTIONS	BALANCE AT END OF YEAR
Allowance for doubtful accounts receivable and sales returns:					
1995	$ 25,668	$ 24,168	$ 673	$(19,717)	$ 30,791
1994	18,594	20,931	(4)	(13,852)	25,668
1993	12,928	17,492	2,343	(14,169)	18,594
Inventory obsolescence:					
1995	$ 10,706	$ 13,199	$ 207	$(11,867)	$ 12,246
1994	9,431	9,410	257	(8,391)	10,706
1993	6,076	6,587	121	(3,353)	9,431

* Other includes recoveries, acquisitions and the effect of fluctuations in foreign currency.

Exhibit Index

EXHIBIT NO.	DESCRIPTION	SEQUENTIAL PAGE NO.
1.01	Form of Underwriting Agreement*	
3.01	Form of Certificate of Incorporation of the Registrant	
3.02	Form of Bylaws of the Registrant	
4.01	Specimen Certificate for the Class A Common Stock, par value $0.01 per share, of the Registrant*	
5.01	Opinion of Davis Polk & Wardwell*	
10.01	Reorganization Agreement dated , 1996 among the Company, Ingram Industries, and Ingram Entertainment*	
10.02	Master Services Agreement dated , 1996 among the Company, Ingram Industries, and Ingram Entertainment*	
10.03	Tax Sharing and Services Agreement dated , 1996 among the Company, Ingram Industries, and Ingram Entertainment*	
10.04	Employee Benefit, Transfer and Assumption Agreement dated , 1996 among the Company, Ingram Industries, and Ingram Entertainment*	
10.05	Form of Registration Rights Agreement*	
10.06	Amended Credit Facility*	
10.07	Severance Agreement dated as of June 1, 1996 among Ingram Industries, Ingram Entertainment, the Company, and Linwood A. Lacy, Jr.*	
10.08	Ingram Micro Inc. Key Employee Stock Purchase Plan	
10.09	Ingram Micro Inc. 1996 Equity Incentive Plan	
10.10	Ingram Micro Inc. Amended 1996 Equity Incentive Plan*	
10.11	Ingram Micro Inc. Executive Incentive Bonus Plan*	

10.12	Agreement dated as of	between the Company and Jeffrey R. Rodek*
10.13	Agreement dated as of	between the Company and Sanat Dutta*
11.01	Statement Regarding Computation of Earnings Per Share*	
21.01	Subsidiaries of the Registrant*	
23.01	Consent of Price Waterhouse LLP	
23.02	Consent of Davis Polk & Wardwell (included in their opinion filed as Exhibit 5.01)*	
24.01	Powers of Attorney of certain officers and directors of the Registrant (filed herewith on the signature page)	
27.01	Financial Data Schedule (EDGAR version only)	

* To be filed by amendment. </TEXT>