FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED JUNE 28, 1997

OR

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

FOR THE TRANSITION PERIOD FROM ________ TO ___________

COMMISSION FILE NUMBER: 1-12203

INGRAM MICRO INC.
(Exact name of Registrant as specified in its charter)

DELAWARE	62-1644402
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1600 E. ST. ANDREW PLACE, SANTA ANA, CALIFORNIA 92799-5125
(Address of principal executive offices) (Zip code)

(714) 566-1000
(Registrant's telephone number including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ____

The Registrant had 28,080,554 shares of Class A Common Stock, par value $.01 per share, and 107,066,882 shares of Class B Common Stock, par value $.01 per share, outstanding at June 30, 1997.

INGRAM MICRO INC.

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PART I. FINANCIAL INFORMATION

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

INGRAM MICRO INC.

CONSOLIDATED BALANCE SHEET
(DOLLARS IN 000S, EXCEPT PER SHARE DATA)

	JUNE 28, 1997	DECEMBER 28, 1996
	(UNAUDITED)	
ASSETS		
Current assets:		
Cash	$ 71,316	$ 48,279
Trade accounts receivable (less allowances of $45,398 in 1997 and $38,622 in 1996)	1,189,541	1,143,028
Inventories	1,825,520	1,818,047
Other current assets	142,490	145,964
Total current assets	3,228,867	3,155,318
Property and equipment, net	169,105	161,172
Goodwill, net	24,345	25,918
Other	28,405	24,539
Total assets	$ 3,450,722	$ 3,366,947
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,797,703	$ 2,047,988
Accrued expenses	186,698	162,887
Current maturities of long-term debt	34,323	23,899
Total current liabilities	2,018,724	2,234,774
Long-term debt	484,507	280,134
Other	19,528	6,190
Total liabilities	2,522,759	2,521,098
Minority interest	4,103	3,476
Commitments and contingencies		
Redeemable Class B Common Stock	16,873	17,223
Stockholders' equity:		
Preferred Stock, $0.01 par value, 1,000,000 shares authorized; no shares issued and outstanding	--	--
Class A Common Stock, $0.01 par value, 265,000,000 shares authorized; 26,155,091 and 25,047,696 shares issued and outstanding in 1997 and 1996, respectively	261	250
Class B Common Stock, $0.01 par value, 135,000,000 shares authorized; 108,951,882 and 109,043,762 shares issued and outstanding in 1997 and 1996 (including redeemable shares of 2,410,400 in 1997 and 2,460,400 in 1996)	1,066	1,066
Additional paid in capital	461,869	449,657
Retained earnings	453,146	372,801
Cumulative translation adjustment	(8,976)	1,910
Unearned compensation	(379)	(534)
Total stockholders' equity	906,987	825,150
Total liabilities and stockholders' equity	$ 3,450,722	$ 3,366,947

See accompanying notes to these consolidated financial statements.

INGRAM MICRO INC.

CONSOLIDATED STATEMENT OF INCOME
(DOLLARS IN 000S, EXCEPT PER SHARE DATA)
(UNAUDITED)

	THIRTEEN WEEKS ENDED		TWENTY-SIX WEEKS ENDED	
	JUNE 28, 1997	JUNE 29, 1996	JUNE 28, 1997	JUNE 29, 1996
Net sales	$ 3,716,827	$ 2,790,432	$ 7,366,805	$ 5,543,167
Cost of sales	3,474,702	2,599,964	6,889,972	5,166,134
Gross profit	242,125	190,468	476,833	377,033
Expenses:				
Selling, general and administrative	161,221	129,348	315,366	252,652
Charges allocated from Ingram Industries	--	560	--	2,143
Noncash compensation charge	1,734	1,057	3,547	7,802
	162,955	130,965	318,913	262,597
Income from operations	79,170	59,503	157,920	114,436
Other (income) expense:				
Interest income	(1,238)	(421)	(2,052)	(761)
Interest expense	9,096	3,600	16,404	7,526
Interest expense charged by Ingram Industries	--	10,537	--	21,172
Net foreign currency exchange loss	91	166	154	392
Other	3,266	734	6,414	1,610
	11,215	14,616	20,920	29,939
Income before income taxes and minority interest	67,955	44,887	137,000	84,497
Provision for income taxes	27,575	18,002	56,028	33,856
Income before minority interest	40,380	26,885	80,972	50,641
Minority interest	412	73	627	1
Net income	$ 39,968	$ 26,812	$ 80,345	$ 50,640
Earnings per share	$ 0.27	$ 0.22	$ 0.55	$ 0.42

See accompanying notes to these consolidated financial statements.

INGRAM MICRO INC.

CONSOLIDATED STATEMENT OF CASH FLOWS
(DOLLARS IN 000S)
(UNAUDITED)

	TWENTY-SIX WEEKS ENDED JUNE 28, 1997	JUNE 29, 1996
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Net income	$ 80,345	$ 50,640
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	21,207	15,700
Deferred income taxes	(1,329)	(2,190)
Minority interest	627	1
Noncash compensation charge	3,547	7,802
Changes in operating assets and liabilities:		
Trade accounts receivable	(83,506)	49,804
Inventories	(35,060)	242,256
Other current assets	1,674	16
Accounts payable	(214,959)	(247,848)
Accrued expenses	40,316	2,443
Cash (used) provided by operating activities	(187,138)	118,624
CASH (USED) PROVIDED BY INVESTING ACTIVITIES:		
Purchase of property & equipment	(40,061)	(33,026)
Proceeds from sale of property & equipment	10,249	--
Other	(1,565)	(1,394)
Cash (used) by investing activities	(31,377)	(34,420)
CASH PROVIDED (USED) BY FINANCING ACTIVITIES:		
Repurchase of Redeemable Class B Common Stock	(350)	--
Exercise of stock options including tax benefits	8,830	--
Decrease in borrowings from Ingram Industries	--	(112,945)
Proceeds from debt	44,259	943
Net borrowings under revolving credit facilities	190,639	34,505
Distribution to Ingram Industries	--	(20,000)
Minority interest investment	--	2,400
Cash provided (used) by financing activities	243,378	(95,097)
Effect of exchange rate changes on cash	(1,826)	(851)
Increase (decrease) in cash	23,037	(11,744)
Cash, beginning of period	48,279	56,916
Cash, end of period	$ 71,316	$ 45,172
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash payments during the period:		
Interest	$ 15,702	$ 28,945
Income taxes	67,533	37,817

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(DOLLARS IN 000S, EXCEPT PER SHARE DATA)

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION

Ingram Micro Inc. (the "Company" or "Ingram Micro") is primarily engaged in wholesale distribution of computer-based technology products and services. The Company conducts the majority of its operations in North America and Europe. In November 1996, the Company's former parent, Ingram Industries Inc. ("Ingram Industries"), consummated a split-off of the Company in a tax-free reorganization (the "Split-Off"). In connection with the Split-Off, certain stockholders of Ingram Industries exchanged all or some of their shares of Ingram Industries Common Stock for 107,251,362 shares of Class B Common Stock of the Company in specified ratios.

The consolidated financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary to present fairly the financial position of the Company and its wholly-owned and majority-owned subsidiaries as of June 28, 1997, their results of operations for the thirteen and twenty-six weeks ended June 28, 1997 and June 29, 1996 and their cash flows for the twenty-six weeks ended June 28, 1997 and June 29, 1996. All significant intercompany accounts and transactions have been eliminated in consolidation. The results of operations for the twenty-six weeks ended June 28, 1997 may not be indicative of the results of operations that can be expected for the entire fiscal year ended January 3, 1998.

NOTE 2 - EARNINGS PER SHARE

Historical earnings per share for the thirteen and twenty-six weeks ended June 29, 1996 reflect the Company's capital structure as a result of the Split-Off. Earnings per share is determined based on the number of shares outstanding after giving effect to the Split-Off in addition to all dilutive common stock and common stock equivalent shares. Pursuant to the Securities and Exchange Commission Staff Accounting Bulletins and Staff policy, such shares issued within 12 months of the initial public offering (the "IPO") of the Company's Class A Common Stock are treated as if they were outstanding for all periods presented prior to the IPO using the treasury stock method. The number of common and common equivalent shares outstanding used in the computation of earnings per share for the thirteen and twenty-six weeks ended June 28, 1997 was 145,713,553 and 145,506,701, respectively, and for the thirteen and twenty-six weeks ended June 29, 1996 was 121,406,591.

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, "Earnings per Share" ("FAS 128") which will become effective in the fourth quarter of 1997. FAS 128 replaces the presentation of earnings per share reflected on the Statement of Income with a dual presentation of Basic Earnings per Share ("Basic EPS") and Diluted Earnings per Share ("Diluted EPS"). Basic EPS excludes dilution and is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution that could occur if stock options and other commitments to issue common stock were exercised resulting in the issuance of common stock that then shared in the earnings of the Company. FAS 128 does not permit early application; however, it requires, when implemented in the fourth quarter, the restatement of previously reported earnings per share for each income statement presented. Pro forma disclosure of earnings per share information as if the Company implemented FAS 128 during the thirteen and twenty-six weeks ended June 28, 1997 and June 29, 1996 is as follows:

INGRAM MICRO INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(DOLLARS IN 000S, EXCEPT PER SHARE DATA)

PRO FORMA EARNINGS PER SHARE:	THIRTEEN WEEKS ENDED JUNE 28, 1997	THIRTEEN WEEKS ENDED JUNE 29, 1996	TWENTY-SIX WEEKS ENDED JUNE 28, 1997	TWENTY-SIX WEEKS ENDED JUNE 29, 1996
Net income	$ 39,968	$ 26,812	$ 80,345	$ 50,640
Weighted average shares	134,999,003	107,251,362	134,886,284	107,251,362
Basic earnings per share	$ 0.30	$ 0.25	$ 0.60	$ 0.47
Weighted average shares including the dilutive effect of stock options (10,714,550 and 10,620,417 for the 13 and 26 weeks ended June 28, 1997, respectively, and 14,155,229 for the 13 and 26 weeks ended June 29, 1996)	145,713,553	121,406,591	145,506,701	121,406,591
Diluted earnings per share	$ 0.27	$ 0.22	$ 0.55	$ 0.42

NOTE 3 - COMMON STOCK

The Company has two classes of Common Stock, consisting of 265,000,000 authorized shares of $0.01 par value Class A Common Stock and 135,000,000 authorized shares of $0.01 par value Class B Common Stock, and 1,000,000 authorized 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 stockholders whereas Class B stockholders are entitled to ten votes on each matter to be voted on by the stockholders. The two classes of stock have the same 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 of (i) November 6, 2001; (ii) the sale or transfer of such share of Class B Common Stock to any person not specifically authorized to hold such shares by the Company's Certificate of Incorporation; 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.

Initial Public Offering

On November 1, 1996, the Company sold 23,200,000 shares of Class A Common Stock at $18.00 per share in an initial public offering. Proceeds of $393,844, net of underwriters' commissions and expenses of the offering aggregating $23,756, were received and used to repay indebtedness to Ingram Industries in the amount of $366,340.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Ingram Micro is the leading wholesale distributor of computer-based technology products and services worldwide. In November 1996, the Company was split-off from Ingram Industries (the "Split-Off") and completed an initial public offering (the "IPO") of its Class A Common Stock that raised $393.8 million, net of underwriters' discounts and expenses, of which approximately $366.3 million was used to repay certain indebtedness to Ingram Industries. Concurrently with the completion of the IPO, the Company entered into a $1 billion credit facility with a syndicate of banks for which NationsBank of Texas N.A. and The Bank of Nova Scotia acted as agents. In addition, the Company assumed an Ingram Industries accounts receivable securitization program under which $160 million of fixed rate medium term certificates and $96.6 million in trust certificate-backed commercial paper was outstanding at June 28, 1997. See "-- Liquidity and Capital Resources."

In connection with the Split-Off, certain outstanding Ingram Industries stock options, incentive stock units ("ISUs"), and stock appreciation rights ("SARs") held by certain employees of Ingram Industries, Ingram Entertainment Inc., and Ingram Micro were converted to options to purchase up to an aggregate of approximately 10,989,000 shares of Class A Common Stock ("Rollover Stock Options"). The Company recorded a pre-tax noncash compensation charge of approximately $1.7 million ($1.4 million net of tax) and $3.5 million ($2.9 million net of tax) in the thirteen and twenty-six week periods ended June 28, 1997, respectively. Noncash compensation charges for the comparable prior year periods were $1.0 million ($0.6 million net of tax) and $7.8 million ($4.8 million net of tax) for the thirteen and twenty-six week periods ended June 29, 1996, respectively. Noncash compensation charges relate to the vested portion of certain Rollover Stock Options based on the difference between the estimated fair value of such options at the applicable measurement dates and the exercise price of such options. The Company will record additional noncash compensation charges over the remaining vesting periods of the Rollover Stock Options. These additional charges are expected to be approximately $3.6 million ($2.9 million net of tax) for the remainder of 1997, compared to $15.5 million ($14.7 million net of tax) for the comparable prior year period, $4.8 million ($3.7 million net of tax) for 1998 and $2.7 million ($1.9 million net of tax) for 1999.

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.

	THIRTEEN WEEKS ENDED				TWENTY-SIX WEEKS ENDED			
	JUNE 28, 1997		JUNE 29, 1996		JUNE 28, 1997		JUNE 29, 1996	
NET SALES BY GEOGRAPHIC REGION (1):	(DOLLARS IN MILLIONS)							
United States	$2,615	70.4%	$1,928	69.1%	$5,077	68.9%	$3,711	66.9%
Europe	711	19.1%	554	19.9%	1,469	19.9%	1,186	21.4%
Other international	391	10.5%	308	11.0%	821	11.2%	646	11.7%
Total	$3,717	100.0%	$2,790	100.0%	$7,367	100.0%	$5,543	100.0%

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(1) Net sales are classified by location of the shipping destination of products. Products sold through the U.S. Export Division are classified as other international sales. This represents a change in presentation from previous periods when the Company classified U.S. Export Division sales as United States sales.

MANAGEMENT'S DISCUSSION AND ANALYSIS CONTINUED

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			
	THIRTEEN WEEKS ENDED		TWENTY-SIX WEEKS ENDED	
	JUNE 28, 1997	JUNE 29, 1996	JUNE 28, 1997	JUNE 29, 1996
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	93.5%	93.2%	93.5%	93.2%
Gross profit	6.5%	6.8%	6.5%	6.8%
Expenses:				
SG&A expenses and charges allocated from Ingram Industries	4.3%	4.6%	4.3%	4.6%
Noncash compensation charge	0.1%	0.1%	0.1%	0.1%
Income from operations	2.1%	2.1%	2.1%	2.1%
Other expense, net	0.3%	0.5%	0.3%	0.6%
Income before income taxes and minority interest	1.8%	1.6%	1.8%	1.5%
Provision for income taxes	0.7%	0.6%	0.7%	0.6%
Minority interest	0.0%	0.0%	0.0%	0.0%
Net income	1.1%	1.0%	1.1%	0.9%

THIRTEEN WEEKS ENDED JUNE 28, 1997 AS COMPARED TO THE THIRTEEN WEEKS ENDED JUNE 29, 1996

Consolidated net sales increased 33.2% to $3.7 billion in the second quarter of 1997 from $2.8 billion in the second quarter of 1996. 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, improved product availability and expansion of the Company's product offerings.

Net sales from U.S. operations increased 35.6% to $2.6 billion in the second quarter of 1997 from $1.9 billion in the second quarter of 1996. 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. Ingram Alliance sales grew 83.9% to $837.3 million in the second quarter of 1997 from $455.4 million in the second quarter of 1996. See "-- Part II, Item 5. Other Information" regarding the potential impact on U.S. net sales and shipping costs of a nationwide strike against United Parcel Service in the third quarter of 1997. Net sales from European operations increased 28.5% to $711.0 million in the second quarter of 1997 from $553.5 million in the second quarter of 1996. The U.S. dollar was stronger against most European currencies during the second quarter of 1997 relative to the second quarter of 1996. At constant exchange rates, net sales from European operations would have increased 35.5% in the second quarter of 1997 as compared to the second quarter of 1996. Other international net sales (which include export sales from the United States) increased 26.9% to $391.4 million in the second quarter of 1997 from $308.5 million in the second quarter of 1996. Growth in other international net sales occurred principally due to growth in net sales from the Company's Canadian, Mexican and export operations.

Cost of sales as a percentage of net sales increased to 93.5% in the second quarter of 1997 from 93.2% in the second quarter of 1996. This increase was largely attributable to the increase as a percentage of net sales of the Ingram Alliance business, which has lower gross margins, as well as competitive pricing pressures in Europe and Canada.

Total SG&A expenses (including charges allocated from Ingram Industries in 1996) increased 24.1% to $161.2 million in the second quarter of 1997 from $129.9 million in the second quarter of 1996. However, total SG&A

expenses decreased as a percentage of net sales to 4.3% in the second quarter of 1997 from 4.6% in the second quarter of 1996. 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 SG&A 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.

Noncash compensation charges increased 64.0% to $1.7 million in the second quarter of 1997 from $1.0 million in the second quarter of 1996. The amount of noncash compensation charges varies from period to period due to the impact of vesting and forfeitures related to the underlying stock options. The Company expects to record additional noncash compensation charges of approximately $1.8 million in each of the third and fourth quarters of 1997.

Excluding noncash compensation charges, total income from operations expressed as a percentage of net sales remained unchanged at 2.2% in the second quarter of 1997 and 1996. Income from operations in the United States excluding the noncash compensation charge, expressed as a percentage of U.S. net sales, remained unchanged at 2.7% in the second quarter of 1997 and 1996. Excluding the noncash compensation charge, income from operations in Europe increased as a percentage of European net sales to 0.5% in the second quarter of 1997 from 0.3% in the second quarter of 1996, largely as a result of lower SG&A expenses as a percentage of European net sales. Excluding the noncash compensation charge, income from operations as a percentage of net sales for other international regions (which includes export operations) decreased to 2.0% in the second quarter of 1997 from 2.1% in the second quarter of 1996 due to the impact of higher cost of sales as a percentage of other international net sales.

For the reasons set forth above, income from operations, including noncash compensation charges, increased 33.1% to $79.2 million in the second quarter of 1997 from $59.5 million in the second quarter of 1996. As a percentage of sales, income from operations, including noncash compensation charges, remained unchanged at 2.1% during the second quarter of 1997 and 1996.

Other expense, net, which consists primarily of net interest expense (including interest expense charged by Ingram Industries in 1996), foreign currency exchange losses, and miscellaneous non-operating expenses, decreased 23.3% to $11.2 million in the second quarter of 1997 from $14.6 million in the second quarter of 1996. As a percentage of net sales, other expense, net, decreased to 0.3% in the second quarter of 1997 from 0.5% in the second quarter of 1996. The decrease in other expense was largely attributable to a year-over-year decrease in interest expense to $9.1 million in the second quarter of 1997 from $14.1 million in the second quarter of 1996. The decrease in interest expense primarily related to lower levels of debt resulting from repayment of indebtedness to Ingram Industries with proceeds from the IPO in the fourth quarter of 1996. The decrease in interest expense was partially offset by the increase in other expense to $3.3 million in the second quarter of 1997 from $0.7 million in the second quarter of 1996, resulting from the reclassification of $2.8 million of financing costs in the second quarter of 1997 relating to the Company's accounts receivable securitization program. See "-- Liquidity and Capital Resources." Such expenses were reflected as interest expense charged by Ingram Industries in the second quarter of 1996.

The provision for income taxes increased 53.2% to $27.6 million in the second quarter of 1997 from $18.0 million in the second quarter of 1996. The increase in the provision for income taxes reflects the increase in the Company's income before income taxes and minority interest of 51.4% in the second quarter of 1997 over the comparable 1996 period. The Company's effective tax rate was 40.6% in the second quarter of 1997 compared to 40.1% in the second quarter of 1996. The increase in the effective tax rate was primarily due to the effect of higher state taxes and the limited tax benefits of noncash compensation charges. In 1996, the Company filed consolidated state tax returns with Ingram Industries which allowed the Company to take advantage of certain apportionment benefits among the states. In 1997, the Company will file its own separate state tax returns. Approximately one-half of the noncash compensation charge for the second quarter of 1997 is not deductible for income tax purposes. The noncash compensation charge for the second quarter of 1996 was fully deductible for income tax purposes.

MANAGEMENT'S DISCUSSION AND ANALYSIS CONTINUED

Excluding noncash compensation charges of $1.4 million (net of tax) for the second quarter of 1997 and $0.6 million (net of tax) for the second quarter of 1996, net income increased 50.8% to $41.4 million in the second quarter of 1997 from $27.5 million in the second quarter of 1996 and, as a percentage of net sales, increased to 1.1% in the second quarter of 1997 from 1.0% in the second quarter of 1996. Pro forma earnings per share, excluding noncash compensation charges, increased 21.7% to $0.28 in the second quarter of 1997 from $0.23 in the second quarter of 1996. Net income, including noncash compensation charges, increased 49.1% to $40.0 million in the second quarter of 1997 from $26.8 million in the second quarter of 1996. Earnings per share, including the noncash compensation charge, increased 22.7% to $0.27 in the second quarter of 1997 from $0.22 in the second quarter of 1996.

TWENTY-SIX WEEKS ENDED JUNE 28, 1997 AS COMPARED TO THE TWENTY-SIX WEEKS ENDED JUNE 29, 1996

Consolidated net sales for the first half of 1997 increased 32.9% to $7.4 billion from $5.5 billion in the first half of 1996. The increase in worldwide net sales was attributable to the same factors summarized in the discussion of net sales for the thirteen weeks ended June 28, 1997 and June 29, 1996.

Net sales from U.S. operations increased 36.8% to $5.1 billion in the first half of 1997 from $3.7 billion in the first half of 1996. 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. Ingram Alliance sales grew 83.3% to $1.5 billion in the first half of 1997 from $828 million in the first half of 1996. See "-- Part II, Item 5. Other Information" regarding the potential impact on U.S. net sales and shipping costs of a nationwide strike against United Parcel Service in the third quarter of 1997. Net sales from European operations increased 23.9% to $1.5 billion in the first half of 1997 from $1.2 billion in the first half of 1996. The U.S. dollar was stronger against most European currencies during the first half of 1997 relative to the first half of 1996. At constant exchange rates, net sales from European operations would have increased 30.3% in the first half of 1997 as compared to the first half of 1996. Other international net sales (which include export sales from the United States) increased 27.1% to $821.1 million in the first half of 1997 from $645.8 million in the first half of 1996. Growth in other international net sales was attributable to the same factors summarized in the discussion of other international net sales for the thirteen weeks ended June 28, 1997 and June 29, 1996.

Cost of sales as a percentage of net sales increased to 93.5% in the first half of 1997 from 93.2% in the first half of 1996. This increase was largely attributable to the increase as a percentage of net sales of the Ingram Alliance business, which has lower gross margins, as well as competitive pricing pressures in Europe and Canada.

Total SG&A expenses (including charges allocated from Ingram Industries in 1996) increased 23.8% to $315.4 million in the first half of 1997 from $254.8 million in the first half of 1996. However, total SG&A expenses decreased as a percentage of net sales to 4.3% in the first half of 1997 from 4.6% in the first half of 1996. The increased level of spending as well as the decrease in SG&A expenses as a percentage of net sales was primarily attributable to the same factors summarized in the discussion of total SG&A expenses for the thirteen weeks ended June 28, 1997 and June 29, 1996.

Noncash compensation charges decreased 54.5% to $3.5 million in the first half of 1997 from $7.8 million in the first half of 1996. The higher amount in 1996 was due to the initial noncash compensation charge recorded in the first quarter of 1996 when the terms and grants of these stock options were established.

Excluding noncash compensation charges, total income from operations expressed as a percentage of net sales remained unchanged at 2.2% in the first half of 1997 and 1996. Income from operations in the United States excluding the noncash compensation charge, expressed as a percentage of U.S. net sales, remained unchanged at 2.7% in the first half of 1997 and 1996. Excluding the noncash compensation charge, income from operations in Europe as a percentage of European net sales remained unchanged at 0.7% in the first half of 1997 and 1996. Excluding the noncash compensation charge, income from operations as a percentage of other international net sales (which includes export operations) decreased to 1.9% in the first half of 1997 from 2.2% in the first half of 1996 due to the impact of higher cost of sales as a percentage of other international net sales.

MANAGEMENT'S DISCUSSION AND ANALYSIS CONTINUED

For the reasons set forth above, income from operations increased 38.0% to $157.9 million for the first half of 1997 from $114.4 million in the first half of 1996. As a percentage of sales, income from operations, including noncash compensation charges, remained unchanged at 2.1% during the first half of 1997 and 1996.

Other expense, net, which consists primarily of net interest expense (including interest expense charged by Ingram Industries in 1996), foreign currency exchange losses, and miscellaneous non-operating expenses decreased 30.1% to $20.9 million in the first half of 1997 from $29.9 million in the first half of 1996. As a percentage of net sales, other expense, net, decreased to 0.3% in the first half of 1997 from 0.6% in the first half of 1996. The decrease in other expense was largely attributable to a year-over-year decrease in interest expense to $16.4 million in the first half of 1997 from $28.7 million in the first half of 1996. The decrease in interest expense primarily related to lower levels of debt resulting from repayment of indebtedness to Ingram Industries with proceeds from the IPO in the fourth quarter of 1996. The decrease in interest expense was partially offset by the increase in other expense to $6.4 million in the first half of 1997 from $1.6 million in the first half of 1996 resulting from the reclassification of $5.7 million of financing costs in the first half of 1997 relating to the Company's accounts receivable securitization program. See "--Liquidity and Capital Resources." Such expenses were reflected as interest expense charged by Ingram Industries in the first half of 1996.

The provision for income taxes increased 65.5% to $56.0 million in the first half of 1997 from $33.9 million in the first half of 1996. The increase in the provision for income taxes reflects the increase in the Company's income before income taxes and minority interest of 62.1% in the first half of 1997 over the comparable 1996 period. The Company's effective tax rate was 40.9% in the first half of 1997 compared to 40.1% in the first half of 1996. The increase in the effective tax rate was primarily due to the effect of higher state taxes and the limited tax benefits of noncash compensation charges. In 1996, the Company filed consolidated state tax returns with Ingram Industries which allowed the Company to take advantage of certain apportionment benefits among the states. In 1997, the Company will file its own separate state tax returns. Approximately one-half of the noncash compensation charge for the first half of 1997 is not deductible for income tax purposes. The noncash compensation charge for the first half of 1996 was fully deductible for income tax purposes.

Excluding noncash compensation charges of $2.9 million (net of tax) for the first half of 1997 and $4.8 million (net of tax) for the first half of 1996, net income increased 50.3% to $83.2 million in the first half of 1997 from $55.4 million in the first half of 1996 and, as a percentage of net sales, increased to 1.1% in the first half of 1997 from 1.0% in the first half of 1996. Pro forma earnings per share, excluding noncash compensation charges, increased 23.9% to $0.57 for the first half of 1997 from $0.46 in the first half of 1996. Net income, including noncash compensation charges, increased 58.7% to $80.3 million for the first half of 1997 from $50.6 million in the first half of 1996. Earnings per share, including the noncash compensation charge, increased 31.0% to $0.55 in the first half of 1997 from $0.42 in the first half of 1996.

QUARTERLY DATA; SEASONALITY

The Company's quarterly sales and operating results have varied 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 such fluctuations, particularly on a quarterly basis.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its growth and cash needs largely through income from operations and borrowings, trade and supplier credit and, more recently, the public sale of 23,200,000 shares of its Class A Common Stock at $18.00 per share in the IPO completed in November 1996.

MANAGEMENT'S DISCUSSION AND ANALYSIS CONTINUED

Cash used by operating activities was $187.1 million in the twenty-six weeks ended June 28, 1997 as compared to cash provided by operating activities of $118.6 million in the twenty-six weeks ended June 29, 1996. The significant increase in cash used by operating activities in the twenty-six weeks ended June 28, 1997 over the comparable 1996 period was largely due to the decrease in accounts payable at June 28, 1997 from December 28, 1996 of $215.0 million which was not offset by declines in trade accounts receivable and inventories. The accounts payable balance at June 28, 1997 decreased from the December 28, 1996 balance as a result of a higher than normal ratio of accounts payable to inventory at December 28, 1996.

Net cash used by investing activities was $31.3 million in the twenty-six weeks ended June 28, 1997 as compared to $34.4 million in the twenty-six weeks ended June 29, 1996. The decrease in net cash used by investing activities is due to proceeds of $10.2 million realized on the sale and leaseback of a distribution center in the twenty-six weeks ended June 28, 1997. Purchases of property and equipment increased to $40.0 million during the twenty-six weeks ended June 28, 1997 from $33.0 million in the twenty-six weeks ended June 29, 1996 resulting from the Company's expansion of warehouse and other facilities.

Net cash provided by financing activities was $243.4 million in the twenty-six weeks ended June 28, 1997 as compared to cash used by financing activities of $95.1 million in the twenty-six weeks ended June 29, 1996. The increase in net cash provided by financing activities was caused primarily by proceeds drawn under the revolving credit facility and long-term debt of $234.9 million in the twenty-six weeks ended June 28, 1997 as compared to the net repayment of borrowings from Ingram Industries in the twenty-six weeks ended June 29, 1996 as well as a distribution to Ingram Industries in connection with the Split-Off of $20.0 million in the 1996 period. Borrowings under the revolving credit facility and long-term debt were used, in part, to finance the decrease in accounts payable at June 28, 1997. The Company's debt to capitalization ratio was 36.4% at June 28, 1997, up from 26.9% at December 28, 1996 but down substantially from 69.4% at June 29, 1996.

Prior to the Split-Off, the Company's sources of capital were primarily borrowings from Ingram Industries. Ingram Industries stopped providing financing to the Company following the Split-Off. In November 1996, the Company entered into a $1 billion credit facility (the "Credit Facility") with a syndicate of banks for which NationsBank of Texas N.A. and The Bank of Nova Scotia acted as agents. The Company is required to comply with certain financial covenants, including minimum net worth, restrictions on funded debt, current ratio and interest coverage, which will be tested as of the end of each fiscal quarter. The Credit Facility also restricts the Company's ability to pay dividends. Borrowings will be subject to the satisfaction of customary conditions, including the absence of any material adverse change in the Company's business or financial condition. At June 28, 1997, the Company was in compliance with these financial covenants and had $361.5 million in outstanding borrowings under the Credit Facility.

From February 1993 through the Split-Off, the Company had 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 November 1, 1996, Ingram Industries had sold $160 million of fixed rate medium term certificates and established a commercial paper program, supported by a variable rate certificate. The arrangement with the trust extends to December 31, 1999, renewable biannually under an evergreen provision up to a maximum term of 20 years. In connection with the Split-Off, in partial satisfaction of amounts due to Ingram Industries, the Ingram Industries accounts receivable securitization program was assumed by the Company, which is now the sole seller of receivables. Under the amended program, certain of the Company's domestic receivables are transferred to the trust. The Company believes the amended program contains sufficient trade accounts receivable to support the outstanding fixed rate medium term certificates as well as an unspecified amount under the variable rate certificate which supports the commercial paper program. At June 28, 1997, the amount of commercial paper outstanding totaled $96.6 million. Assumption of the securitization program resulted in a $160 million reduction of trade accounts receivable and long-term debt in the Company's consolidated balance sheet at June 28, 1997 and December 28, 1996.

The Company announced on July 21, 1997 that it has completed the acquisition of the Intelligent Electronics Inc. ("IE") indirect distribution business, its Reseller Network Division ("RND"). See "-- Part II, Item 5. Other Information." Under the terms of the agreement, Ingram Micro assumed $78 million, in liabilities in excess of current assets. The Company believes that its existing cash and credit facilities are adequate to pay the purchase price for RND and discharge its other obligations under the agreement, as well as finance the increase in accounts receivable and inventories.

COMMENTS ON FORWARD-LOOKING INFORMATION

In connection with the "safe-harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company, in its Form 10-K for the year ended December 28, 1996, outlined cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in forward-looking statements made by, or on behalf of, the Company. Such forward-looking statements, as made within this Form 10-Q, should be considered in conjunction with the information included in the Company's Annual Report on Form 10-K for the year ended December 28, 1996, including Exhibit 99.01 attached thereto.

NEW ACCOUNTING STANDARDS

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, "Earnings per Share" ("FAS 128") which will become effective in the fourth quarter of 1997. FAS 128 replaces the presentation of earnings per share reflected on the Statement of Income with a dual presentation of Basic Earnings per Share ("Basic EPS") and Diluted Earnings per Share ("Diluted EPS"). FAS 128 does not permit early application; however, it requires, when implemented in the fourth quarter of 1997, restatement of previously reported earnings per share for each income statement presented. The Company does not expect the adoption of FAS 128 to have a material impact on its financial condition or results of operations. However, pro forma disclosure of earnings per share as computed under FAS 128 is presented in the notes to consolidated financial statements.

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("FAS 130") which will become effective in fiscal 1998. The Company does not expect the adoption of FAS 130 to have a material impact on its financial condition or results of operations.

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("FAS 131") which will become effective in fiscal 1998. FAS 131 establishes standards for the way publicly-held companies report information about operating segments as well as disclosures about products and services, geographic areas and major customers. However, the Company does not expect the adoption of FAS 131 to have a material impact on its consolidated financial condition or results of operations.

PART II. OTHER INFORMATION

ITEM 1. 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.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

(a) The Annual Meeting of Shareowners was held on May 7, 1997.

(b) The only matter submitted for a vote at the Annual Meeting was the election of eight directors (constituting the entire Board of Directors). The following table lists the individuals and the number of votes cast for, against or withheld for each such individual elected to the Board of Directors for a term to expire at the 1998 Annual Meeting of Shareowners.

Nominee		No. of Votes
Don H. Davis, Jr.	For	1,025,623,043
	Against	0
	Abstentions	1,463,783
David B. Ingram	For	1,024,968,735
	Against	0
	Abstentions	2,118,091
John R. Ingram	For	1,025,622,434
	Against	0
	Abstentions	1,464,392
Martha R. Ingram	For	1,025,620,263
	Against	0
	Abstentions	1,466,563
Philip M. Pfeffer	For	1,025,622,413
	Against	0
	Abstentions	1,464,413
J. Phillip Samper	For	1,025,624,043
	Against	0
	Abstentions	1,462,783
Jerre L. Stead	For	1,025,624,043
	Against	0
	Abstentions	1,461,983
Joe B. Wyatt	For	1,025,622,938
	Against	0
	Abstentions	1,463,888

ITEM 5. OTHER INFORMATION

The Company announced on July 21, 1997 that it completed the acquisition of IE's indirect distribution business, its RND. Under the terms of the agreement, Ingram Micro assumed $78 million in liabilities in excess of current assets. The RND business model -- also known as "wholesale aggregation" or "master reseller" - -- is complementary to Ingram Alliance. The Company believes that the acquisition will provide a new revenue source as well as strengthen the Company's relationships with resellers through new programs, better access to key manufacturers and improved operations. The Company also became the primary wholesaler to IE's XLSource division, an authorized direct sales organization and reseller for products of more than 80 technology manufacturers, for an initial term of up to three years. As discussed in Exhibit 99.01 to the Company's 1996 Annual Report on Form 10-K, acquisitions such as the IE RND business involve a number of risks and difficulties for the Company. The inability to successfully integrate IE's RND operations into the Company's existing operations could have a material adverse effect on the Company's financial condition and results of operations.

The Company relies almost entirely on arrangements with independent shipping companies for the delivery of its products to reseller customers and end-user customers. Currently, United Parcel Service ("UPS"), Federal Express Corporation, Western Package Service, General Parcel Services, Roadway Parcel Services, and Watkins Motor Lines deliver the substantial majority of the Company's products to its customers within the United States. On August 4, 1997, members of the International Brotherhood of Teamsters began a nationwide strike against UPS. This strike has materially impaired UPS's ability to perform shipping services required by the Company within the United States. The Company has shifted all of its U.S. shipments to other carriers, although on less favorable terms, in some cases. There can be no assurance that other carriers will continue to be able to assume all of the shipping volume handled by UPS for the Company on terms as favorable as those available from UPS. Only the Company's shipments within the United States are impacted. A decline in the reliability and timeliness of the Company's deliveries could have a material impact on the Company's U.S. net sales, as could any attempt by the Company to raise prices in response to increased shipping costs. A decline in U.S. net sales could have a material adverse effect on the Company's business, financial condition and results of operations.

A Registration Statement on Form S-1 (the "Form S-1") filed by the Company with the Securities and Exchange Commission covering 3,383,369 shares of Class A Common Stock was declared effective on June 27, 1997. The Form S-1 relates to the offer and sale of up to 1,378,369 shares of Class A Common Stock by the Company at various prices to holders of stock options issued (upon exercise of such stock options) under the Ingram Micro Inc. 1996 Rollover Stock Option Plan who are current or former employees or directors of Ingram Industries, Ingram Entertainment, or their respective subsidiaries. The Form S-1 also relates to the offer and sale by the Ingram Thrift Plan, the Ingram Micro Thrift Plan and the Ingram Entertainment Thrift Plan (collectively, the "Thrift Plans"), of a total of 2,005,000 shares of Class A Common Stock of the Company (resulting from the conversion of shares of Class B Common Stock of the Company held by the Thrift Plans) in order to meet their liquidity needs. The Company kept the Prospectus filed in connection with the Form S-1 available until July 30, 1997.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a) Exhibits

No.	Description
27	Financial Data Schedule

b) Reports on Form 8-K

No reports on Form 8-K have been filed during the thirteen weeks ended June 28, 1997.

SIGNATURES

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

INGRAM MICRO INC.

By: /s/ MICHAEL J. GRAINGER

Name: Michael J. Grainger
Title: Executive Vice President and Worldwide Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

August 12, 1997

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS OF INGRAM MICRO INC. FOR THE TWENTY-SIX WEEKS ENDED JUNE 28, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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6-MOS
JAN-03-1998
DEC-29-1996
JUN-28-1997
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