

February 4, 2010



## Wayside Technology Group, Inc. Reports 2009 Fourth Quarter Results and Declares Quarterly Dividend

**Revenue: \$42.3 Million, Up 6% Year-Over-Year; Net Income \$0.9 Million, \$0.20 per Share; \$0.15 Dividend Declared**

SHREWSBURY, NJ -- (MARKET WIRE) -- 02/04/10 -- Wayside Technology Group, Inc. (NASDAQ: WSTG) today reported financial results for the fourth quarter ended December 31, 2009. The results will be discussed in a conference call to be held on Friday, February 5, 2010 at 10:00 AM Eastern time. The dial-in telephone number is (866) 238-0637 and the pass code is "WSTG."

This conference call will be available via live webcast -- in listen-mode only -- at [www.earnings.com](http://www.earnings.com). A replay will also be available on the company's website at [www.waysidetechology.com](http://www.waysidetechology.com).

Net income for the fourth quarter of 2009 amounted to \$900,000 or 2.1% of net sales as compared to \$902,000 or 2.2% for the same period in 2008.

Cash and marketable securities amount to \$16.1 million, representing 67% of equity as of December 31, 2009. The company has no debt.

Total net sales for the fourth quarter of 2009 amounted to \$42.3 million, compared to \$40.0 million for the same period in 2008, representing a 6% increase. Sales for the fourth quarter of 2009 for the Lifeboat segment were \$28.9 million compared to \$22.7 million in the fourth quarter of 2008, representing a 27% increase. Sales for the fourth quarter of 2009 for the Programmer's Paradise segment were \$13.4 million, compared to \$17.3 million in the fourth quarter of 2008, representing a 23% decline.

Total gross profit for the fourth quarter of 2009 amounted to \$4.4 million, compared to \$4.5 million for the same period in 2008. Gross profit for the fourth quarter of 2009 for the Lifeboat segment was \$3.1 million, compared to \$2.5 million in the fourth quarter of 2008. Gross profit for the fourth quarter of 2009 for the Programmer's Paradise segment was \$1.3 million, compared to \$2.0 million in the fourth quarter of 2008. The decrease in gross profit dollars for the Programmer's Paradise segment was primarily due to the lower sales volume. Q4 revenue for our Lifeboat segment increased due to strong growth for some of our product lines as well as signing on more software publishers. As a result, gross profit dollars for our Lifeboat segment increased by 25% in the fourth quarter of 2009.

Total gross profit, as a percentage of net sales, for the quarter ending December 31, 2009, was 10.3%, compared to 11.2% in the fourth quarter of 2008.

"I'm very pleased with our solid YTD 2009 results as well as our fourth quarter results," said Simon F. Nynens, Chairman and Chief Executive Officer. "We have performed well in a very difficult economic climate and strengthened our position in the software distribution market in 2009 and continued to sign on new vendors. Strict cost controls allowed us to drive a solid earnings performance."

Total selling, general, and administrative ("SG&A") expenses for the fourth quarter of 2009 were \$3.0 million compared to \$3.1 million in the fourth quarter of 2008.

On February 3, 2010, the Board of Directors declared a quarterly dividend of \$.15 per share of its common stock payable February 19, 2010 to shareholders of record on February 12, 2010.

About Wayside Technology Group, Inc.

Wayside Technology Group, Inc. (NASDAQ: WSTG) was founded in 1982 and is a unified and integrated technology company providing products and solutions for corporate resellers, VARs, and developers, as well as business, government and educational entities. The company offers technology products from software publishers and manufacturers such as Microsoft, CA, IBM, VMware, Quest Software, DataCore, Embarcadero Technologies, SAP BusinessObjects, Intel, Compuware, Infragistics, SolarWinds, Flexera Software (publishers of InstallShield), and Adobe.

Additional information can be found by visiting [www.waysidetechology.com](http://www.waysidetechology.com).

The statements in this release concerning the Company's future prospects are forward-looking statements that involve certain risks and uncertainties. Such risks and uncertainties could cause actual results to differ materially from those indicated by such forward-looking statements, and include, without limitation, the continued acceptance of the Company's distribution channel by vendors and customers, the timely availability and acceptance of new products, product mix, market conditions, contribution of key vendor relationships and support programs, as well as factors that affect the software industry in general and other factors. The forward-looking statements contained herein are also subject generally to other risks and uncertainties that are described from time to time in our filings with the Securities and Exchange Commission. Except as otherwise required by law, the Company undertakes no obligation to update or revise these forward-looking statements.

WAYSIDE TECHNOLOGY GROUP, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(In thousands, except share and per share amounts)

|                           |    | December 31,<br>2009 |    | December 31,<br>2008 |
|---------------------------|----|----------------------|----|----------------------|
|                           |    | -----                |    | -----                |
| ASSETS                    |    |                      |    |                      |
| Current assets            |    |                      |    |                      |
| Cash and cash equivalents | \$ | 8,560                | \$ | 9,349                |
| Marketable securities     |    | 7,571                |    | 9,367                |
| Accounts receivable, net  |    | 27,040               |    | 16,940               |

|   |           |           |
|---|-----------|-----------|
| Inventory - finished goods                | 967       | 1,058     |
| Prepaid expenses and other current assets | 998       | 776       |
| Deferred income taxes                     | 677       | 712       |
|   | -----     | -----     |
| Total current assets                      | 45,813    | 38,202    |
| Equipment and leasehold improvements, net | 432       | 549       |
| Accounts Receivable Long-Term             | 6,901     | 7,860     |
| Other assets                              | 38        | 66        |
| Deferred income taxes                     | 483       | 808       |
|   | -----     | -----     |
| Total assets                              | \$ 53,667 | \$ 47,485 |
|   | =====     | =====     |

LIABILITIES AND STOCKHOLDERS' EQUITY

|   |           |           |
|---|-----------|-----------|
| Current liabilities   |           |           |
| Accounts payable and accrued expenses   | 29,230    | 23,396    |
|   | -----     | -----     |
| Total current liabilities   | 29,230    | 23,396    |
| Other liabilities   | 78        | 205       |
|   | -----     | -----     |
| Total liabilities   | 29,308    | 23,601    |
| Commitments and contingencies   |           |           |
| Stockholders' equity  |           |           |
| Common stock, \$.01 par value; 10,000,000<br>shares authorized, 5,284,500 shares<br>issued, and 4,688,844 and 4,643,662 shares<br>outstanding, respectively | 53        | 53        |
| Additional paid-in capital  | 24,826    | 26,636    |
| Treasury stock, at cost, 595,656 shares and<br>640,838 shares, respectively   | (3,555)   | (3,383)   |
| Retained earnings   | 2,727     | 567       |
| Accumulated other comprehensive income  | 308       | 11        |
|   | -----     | -----     |
| Total stockholders' equity  | 24,359    | 23,884    |
|   | -----     | -----     |
| Total liabilities and stockholders' equity  | \$ 53,667 | \$ 47,485 |
|   | =====     | =====     |

WAYSIDE TECHNOLOGY GROUP, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS  
(In thousands, except per share data)

|  |              |       |                    |       |
|--|--------------|-------|--------------------|-------|
|  | Year ended   |       | Three months ended |       |
|  | December 31, |       | December 31,       |       |
|  | 2009         | 2008  | 2009               | 2008  |
|  | -----        | ----- | -----              | ----- |
|  |              |       | (Unaudited)        |       |
|  |              |       | -----              |       |

|  |            |            |           |           |
|--|------------|------------|-----------|-----------|
| Net Sales  | \$ 146,384 | \$ 174,025 | \$ 42,292 | \$ 40,030 |
| Cost of sales  | 130,791    | 157,228    | 37,941    | 35,530    |
|  | -----      | -----      | -----     | -----     |
| Gross profit   | 15,593     | 16,797     | 4,351     | 4,500     |
| Selling, general and administrative expenses         | 11,319     | 12,207     | 3,016     | 3,148     |
|  | -----      | -----      | -----     | -----     |
| Income from operations                               | 4,274      | 4,590      | 1,335     | 1,352     |
| Interest income, net                                 | 521        | 741        | 118       | 192       |
| Realized foreign exchange gain (loss)                | -          | 3          | 1         | (3)       |
|  | -----      | -----      | -----     | -----     |
| Income before income tax provision                   | 4,795      | 5,334      | 1,454     | 1,541     |
| Provision for income taxes                           | 1,928      | 2,168      | 554       | 639       |
|  | -----      | -----      | -----     | -----     |
| Net income   | \$ 2,867   | \$ 3,166   | \$ 900    | \$ 902    |
|  | =====      | =====      | =====     | =====     |
| Net income per common share - Basic                  | \$ 0.65    | \$ 0.72    | \$ 0.20   | \$ 0.21   |
|  | =====      | =====      | =====     | =====     |
| Net income per common share - Diluted                | \$ 0.65    | \$ 0.71    | \$ 0.20   | \$ 0.20   |
|  | =====      | =====      | =====     | =====     |
| Weighted average common shares outstanding - Basic   | 4,399      | 4,414      | 4,397     | 4,389     |
|  | =====      | =====      | =====     | =====     |
| Weighted average common shares outstanding - Diluted | 4,427      | 4,461      | 4,430     | 4,414     |
|  | =====      | =====      | =====     | =====     |