

July 30, 2009



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

## Net Income \$0.8 Million, \$.18 per Share; \$.15 Dividend Declared

SHREWSBURY, NJ -- (MARKET WIRE) -- 07/30/09 -- Wayside Technology Group, Inc. (NASDAQ: WSTG) today reported financial results for the second quarter ended June 30, 2009. The results will be discussed in a conference call to be held on Friday, July 31, 2009 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 be available on our website at [www.waysidetechology.com](http://www.waysidetechology.com).

Total net sales for the second quarter of 2009 amounted to \$37.0 million, compared to \$48.1 million for the same period in 2008. Sales for the second quarter of 2009 for our Lifeboat segment were \$25.0 million compared to \$35.0 million in the second quarter of 2008, representing a 28% decrease. Excluding VMware, Lifeboat's sales increased by \$1.7 million, or 7% compared to the second quarter of 2008. Sales for the second quarter of 2009 for our Programmer's Paradise segment were \$12.0 million, compared to \$13.1 million in the second quarter of 2008, representing an 8% decrease.

Total gross profit for the second quarter of 2009 amounted to \$4.1 million, compared to \$4.3 million for the same period in 2008. Gross profit for the second quarter of 2009 for our Lifeboat segment was \$2.5 million, compared to \$2.8 million in the second quarter of 2008, representing a 13% decrease. This decrease in gross profit was due to the lower sales volume. Gross profit for the second quarter of 2009 for our Programmer's Paradise segment was \$1.6 million, compared to \$1.5 million in the second quarter of 2008, representing a 6% increase. This increase was primarily due to a shift in mix of order size. We sold more of our smaller, specialized software lines, which typically carry higher margins. As a result, gross profit increased 6% as compared to last year, despite the 8% decrease in revenue as compared to last year.

Total gross profit, as a percentage of net sales, for the quarter ending June 30, 2009, was 11%, compared to 8.9% in the second quarter of 2008.

Cash and marketable securities amount to \$16.5 million, representing 68% of our equity as of June 30, 2009. We have no debt.

"During the second quarter of 2009 we delivered solid second quarter results despite the

continued recessionary business climate impacting every segment of the economy," said Simon F. Nynens, Chairman and Chief Executive Officer.

Total selling, general, and administrative ("SG&A") expenses for the second quarter of 2009 were \$2.9 million compared to \$3.1 million in the second quarter of 2008.

Net income for the second quarter of 2009 amounted to \$790,000 or 2.1% of net sales as compared to \$823,000 or 1.7% for the same period in 2008.

On July 28, 2009, the Board of Directors declared a quarterly dividend of \$.15 per share of its common stock payable August 20, 2009 to shareholders of record on August 13, 2009.

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, Embarcadero Technologies, SAP Business Objects, Intel, Compuware, Infragistics, ComponentOne, Acresto Software, 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 include the continued acceptance of the Company's distribution channel by vendors and customers, the timely availability and acceptance of new products, and contribution of key vendor relationships and support programs. 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.

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

	June 30, 2009 (Unaudited)	December 31, 2008
ASSETS		
Current assets		
Cash and cash equivalents	\$ 7,462	\$ 9,349
Marketable securities	8,986	9,367
Accounts receivable, net	22,783	16,940
Inventory - finished goods	937	1,058
Prepaid expenses and other current assets	941	776
Deferred income taxes	661	712
Total current assets	41,770	38,202
Equipment and leasehold improvements, net	541	549
Accounts Receivable Long-Term	6,166	7,860

Other assets	40	66
Deferred income taxes	668	808
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Total assets	\$ 49,185	\$ 47,485
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities		
Accounts payable and accrued expenses	24,839	23,396
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Total current liabilities	24,839	23,396
Other liabilities	78	205
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Total liabilities	24,917	23,601
Commitments and contingencies		
Stockholders' equity		
Common stock, \$.01 par value; 10,000,000 shares authorized, 5,284,500 shares issued, and 4,774,362 and 4,643,662 shares outstanding, respectively	53	53
Additional paid-in capital	25,078	26,636
Treasury stock, at cost, 510,138 shares and 640,838 shares, respectively	(2,905)	(3,383)
Retained earnings	1,935	567
Accumulated other comprehensive income	107	11
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Total stockholders' equity	24,268	23,884
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Total liabilities and stockholders' equity	\$ 49,185	\$ 47,485
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WAYSIDE TECHNOLOGY GROUP, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME  
(Unaudited)  
(In thousands, except per share data)

	Six months ended		Three months ended	
	June 30,		June 30,	
	2009	2008	2009	2008
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Net Sales	\$ 68,782	\$ 88,602	\$ 37,032	\$ 48,096
Cost of sales	61,234	80,559	32,951	43,798
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Gross profit	7,548	8,043	4,081	4,298
Selling, general and administrative expenses	5,562	6,016	2,911	3,074
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Income from operations	1,986	2,027	1,170	1,224
Interest income, net	274	376	126	142
Realized foreign exchange gain (loss)	(1)	7	-	4
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Income before income tax provision	2,259	2,410	1,296	1,370
Provision for income taxes	891	958	506	547
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Net income	\$ 1,368	\$ 1,452	\$ 790	\$ 823
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Net income per common share - Basic	\$ 0.31	\$ 0.33	\$ 0.18	\$ 0.19
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Net income per common share - Diluted	\$ 0.31	\$ 0.32	\$ 0.18	\$ 0.18
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Weighted average common shares outstanding - Basic	4,392	4,429	4,400	4,417
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Weighted average common shares outstanding - Diluted	4,419	4,519	4,426	4,505
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Reconciliation to comprehensive income:				
Net income	\$ 1,368	\$ 1,452	\$ 790	\$ 823
Other comprehensive income (loss), net of tax:				
Unrealized gain (loss) on marketable securities	(27)	(14)	6	(6)
Foreign currency translation adjustments	123	(71)	170	16
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Total comprehensive income	\$ 1,464	\$ 1,367	\$ 966	\$ 833
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