

April 28, 2011



Wayside Technology Group, Inc. Reports 2011 First Quarter Results and Declares Quarterly Dividend

1st Quarter Revenue: \$51.5 Million, up 28% Year-Over-Year; Income From Operations \$1.3 Million, up 38% Year-Over-Year; \$.16 Quarterly Dividend Declared

SHREWSBURY, NJ -- (MARKET WIRE) -- 04/28/11 -- Wayside Technology Group, Inc. (NASDAQ: WSTG) today reported financial results for the first quarter ended March 31, 2011. The results will be discussed in a conference call to be held on Friday, April 29, 2011 at 10:00 AM Eastern time. The dial-in telephone number is (866) 804-3546 and the pass code is "WSTG".

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

Cash and marketable securities amounted to \$15.4 million, representing 58% of equity as of March 31, 2011.

Net sales for the first quarter of 2011 increased 28% or \$11.1 million to \$51.5 million compared to \$40.4 million for the same period in 2010. Total sales for the first quarter of 2011 for our Lifeboat segment were \$39.5 million compared to \$29.1 million in the first quarter of 2010, representing an increase of \$10.4 million or 36%. Total sales for the first quarter of 2011 for our Programmer's Paradise segment were \$12.0 million compared to \$11.2 million in the first quarter of 2010, representing a 7% increase.

"The first quarter of 2011 was a great quarter for us," said Simon F. Nynens, Chairman and Chief Executive Officer. "Our continued high growth rate shows that software publishers and our customers are exceedingly satisfied with our service model, as we continue to expand our offerings. We announced on April 6, 2011 that Mike Faith joined our board of directors. We all look forward to learning from Mike's insights and experience in service excellence and marketing."

Sales from our Lifeboat segment showed strong growth. The 36% increase in net sales in the first quarter of 2011 compared to 2010 was mainly a result of our continued focus on the expanding virtual infrastructure-centric business, the addition of several key product lines, and the strengthening of our account penetration.

Gross Profit for the quarter ending March 31, 2011 was \$4.8 million compared to \$4.0 million in the first quarter of 2010, a 22% increase. Total gross profit for our Lifeboat segment

was \$3.4 million compared to \$2.7 million in the first quarter of 2010, representing a 29% increase. This increase in gross profit was due to aggressive sales volume growth within our Lifeboat segment. Total gross profit for our Programmer's Paradise segment was \$1.4 million compared to \$1.3 million in the first quarter of 2010, representing a 7% increase. This increase was primarily due to the higher sales volume. Vendor rebates and discounts for the quarter ended March 31, 2011 amounted to \$0.5 million compared to \$0.3 million for the first quarter of 2010, mainly a result of our aggressive sales growth.

Total gross profit, as a percentage of net sales, for the first quarter of 2011 was 9.4%, compared to 9.8% in the first quarter of 2010.

The increase in gross profit dollars and the decrease in gross profit margin as a percentage of net sales was primarily caused by the aggressive sales growth within our Lifeboat segment, competitive pricing pressure in both segments, and also in part by our having won several large bids based on aggressive pricing, which we plan to continue to do.

Total selling, general, and administrative ("SG&A") expenses for the first quarter of 2011 were \$3.5 million compared to \$3.0 million in the first quarter of 2010, which was mainly the result of an increase in employee related expenses (salaries, commissions, bonus and benefits) of \$0.4 million and an increase in sales and marketing expenses of \$0.1 million. As a percentage of net sales, SG&A expenses for the first quarter of 2011 were 6.9% compared to 7.5% in the first quarter of 2010.

On April 26, 2011, the Board of Directors declared a quarterly dividend of \$.16 per share of its common stock payable May 19, 2011 to shareholders of record on May 9, 2011.

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 Acronis, CA Technologies, DataCore, Flexera Software (publishers of InstallShield), GFI, Hewlett Packard, Infragistics, Intel Software, Microsoft, Mindjet, Quest Software, SolarWinds, StorageCraft Technology, TechSmith, Veeam, and VMware.

Additional information can be found by visiting 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.

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

	March 31, 2011	December 31, 2010
	----- (unaudited)	-----
ASSETS		
Current assets		
Cash and cash equivalents	\$ 13,089	\$ 10,955
Marketable securities	2,278	4,528
Accounts receivable, net	34,699	42,486
Inventory - finished goods	1,294	1,164
Prepaid expenses and other current assets	1,290	1,250
Deferred income taxes	494	516
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Total current assets	53,144	60,899
Equipment and leasehold improvements, net	586	545
Accounts receivable long-term	6,513	6,866
Other assets	36	37
Deferred income taxes	336	336
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Total assets	\$ 60,615	\$ 68,683
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LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 33,729	\$ 41,791
Current portion- capital lease obligation	75	75
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Total current liabilities	33,804	41,866
Long term portion- capital lease obligation	117	138
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Total liabilities	33,921	42,004
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Commitments and contingencies		
Stockholders' equity		
Common stock, \$.01 par value; 10,000,000 shares authorized, 5,284,500 shares issued, and 4,754,952 and 4,770,241 shares outstanding, respectively	53	53
Additional paid-in capital	25,771	25,473
Treasury stock, at cost, 529,548 and 514,259 shares, respectively	(4,067)	(3,570)
Retained earnings	4,357	4,267
Accumulated other comprehensive income	580	456
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Total stockholders' equity	26,694	26,679
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Total liabilities and stockholders' equity	\$ 60,615	\$ 68,683

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

	Three months ended March 31,	
	2011	2010
	(Unaudited)	
Revenues		
Lifeboat segment	39,551	29,117
Programmer's Paradise segment	11,998	11,241
Total Revenue	\$ 51,549	\$ 40,358
Cost of sales		
Lifeboat segment	36,137	26,472
Programmer's Paradise segment	10,587	9,918
Total Cost of sales	46,724	36,390
Gross Profit	4,825	3,968
Operating expenses		
Selling costs	1,837	1,491
Stock based compensation	289	301
Other general and administrative expenses	1,404	1,238
Total Selling, general and administrative expenses	3,530	3,030
Income from operations	1,295	938
Interest income, net	86	108
Realized foreign exchange gain	-	1
Income before income tax provision	1,381	1,047
Provision for income taxes	538	424
Net income	\$ 843	\$ 623
Net income per common share - Basic	\$ 0.19	\$ 0.14
Net income per common share - Diluted	\$ 0.18	\$ 0.14
Weighted average common shares outstanding - Basic	4,414	4,371
Weighted average common shares outstanding - Diluted	4,651	4,425

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Source: Wayside Technology Group