

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): July 27, 2006

Programmer's Paradise, Inc.

(Exact name of Registrant as specified in its charter)

Delaware

(State of Other Jurisdiction
of Incorporation)

000-26408

(Commission
File Number)

13-3136104

(IRS Employer
Identification No.)

1157 Shrewsbury Avenue, Shrewsbury, New Jersey

(Address of Principal Executive Offices)

07702

(Zip Code)

Registrant's telephone number, including area code: (732) 389-8950

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On July 27, 2006, Programmer's Paradise, Inc. issued a press release announcing its financial results for the second quarter ended June 30, 2006. The information contained in the press release, which is attached as Exhibit 99.1 to this report, is incorporated by reference herein and is furnished pursuant to Item 2.02, "Results of Operations and Financial Condition."

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits.**

- 99.1 Press Release dated July 27, 2006, furnished pursuant to Item 2.02.

SIGNATURE

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 hereunto duly authorized.

PROGRAMMER'S PARADISE, INC.

Dated: July 28, 2006

By: /s/ Simon F. Nynens

Simon F. Nynens

President and Chief Executive Officer

Index to Exhibits

Exhibit No. Description

99.1 Press Release dated July 27, 2006, furnished pursuant to Item 2.02.

Company Contact:
Kevin Scull
Programmer's Paradise, Inc.
Vice President and Chief Accounting Officer
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**PROGRAMMER'S PARADISE, INC. REPORTS SECOND QUARTER RESULTS;
SALES INCREASE 38%, INCOME FROM OPERATIONS INCREASES 360%**

SHREWSBURY, NJ, July 27, 2006 - Programmer's Paradise, Inc. (NASDAQ: PROG)

- Sales: \$41.4 million, up 38% year-over-year
- Gross profit: \$4.1 million, up 20% year-over-year
- Income from operations: \$1.1 million, up 360% year-over-year
- Net income: \$0.8 million, up 322% year-over-year
- Diluted earnings per share: \$0.17, up 325% year-over-year

The results will be discussed in a conference call to be held on Friday, July 28, 2006 at 10:00 AM Eastern time. The dial-in telephone number is (866) 818-1395 and the pass code is PROG.

"The second quarter of 2006 was a spectacular quarter for us. Revenue grew at a strong pace. Our Lifeboat division continued to take market share. The sales growth combined with our focus on cost control resulted in an increase of 360% in income from operations over the same period in 2005," said Simon F. Nynens, President and Chief Executive Officer.

Net sales for the quarter ended June 30, 2006 were \$41.4 million compared with \$30.1 million in the second quarter of 2005, a 38% increase. Total sales for our Programmer's Paradise division were \$12.5 million compared with \$11.9 million in the second quarter of 2005, representing a 5% increase. Total sales for our Lifeboat division were \$29.0 million compared with \$18.2 million in the second quarter of 2005, representing a 60% increase. This growth reflects our continued focus on the expanding virtual infrastructure-centric business, as well as the strengthening of our account penetration.

Gross profit for the quarter ended June 30, 2006 was \$4.1 million compared with \$3.4 million in the second quarter of 2005, a 20% increase. Total gross profit for our Programmer's Paradise division was \$1.7 million compared with \$1.6 million in the second quarter of 2005, representing a 2% increase. Total gross profit for our Lifeboat division was \$2.4 million compared with \$1.8 million in the second quarter of 2005, representing a 37% increase.

Gross profit margin, as a percentage of net sales, for the quarter ended June 30, 2006 was 9.8% compared with 11.2% in the second quarter of 2005. Gross profit margin for our Programmer's Paradise division was 13.3% compared with 13.6% in the second quarter of 2005. Gross profit margin for our Lifeboat division was 8.3% compared with 9.7% in the second quarter of 2005. These margins primarily reflect the competitive nature of our business and a shift in our product mix.

Total selling, general, and administrative ("SG&A") expenses for the second quarter of 2006 were \$2.9 million compared with \$3.1 million in the second quarter of 2005 or a decrease of \$0.2 million or 6%. This decrease is mainly due to a one-time charge of \$0.3 million for an uncollectible receivable in the second quarter of 2005, partly offset by a \$0.1 million charge related to the subleasing of our Hauppauge, New York office to another company in the second quarter of 2006. As a percentage of net sales, SG&A expenses for the second quarter of 2006 were 7.1% compared with 10.4% in the second quarter of 2005.

Second quarter income from operations in 2006 was \$1.1 million compared with \$0.2 million in the second quarter of 2005, representing a 360% increase. Second quarter net income in 2006 was \$0.8 million compared with \$0.2 million in the second quarter of 2005. Diluted earnings per share were \$.17 versus \$.04 in the second quarter of 2005.

Programmer's Paradise, Inc. (NASDAQ: PROG) was founded in 1982 and is an award-winning marketer and distributor of technical software and hardware. When it comes to software, Programmer's Paradise has it all. Our experienced account executives are key in our strategy. We offer our customers customized extranets, consultancy services, and flexible financing, as well as same day shipping. Additional information can be found by visiting www.programmersparadise.com.

Contact Programmer's Paradise, Inc. via Kevin Scull, Vice President and Chief Accounting Officer of Programmer's Paradise, Inc. at (732) 389-8950 or kevin.scull@programmers.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.

- Tables Follow -

PROGRAMMER'S PARADISE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	June 30, <u>2006</u> (Unaudited)	December 31, <u>2005</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$11,122	\$7,369
Marketable securities	8,987	7,884
Accounts receivable, net	19,129	21,185
Inventory - finished goods	948	1,956
Prepaid expenses and other current assets	669	688
Deferred income taxes, current	<u>1,414</u>	<u>1,783</u>
Total current assets	<u>42,269</u>	<u>40,865</u>
Equipment and leasehold improvements, net	538	434
Other assets	721	453
Deferred income taxes, net of current	<u>2,676</u>	<u>2,516</u>
Total assets	<u><u>\$46,204</u></u>	<u><u>\$44,268</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$26,015	\$25,751
Dividend payable	<u>1,130</u>	<u>519</u>
Total current liabilities	<u>27,145</u>	<u>26,270</u>
Other liabilities	<u>115</u>	<u>-</u>
Total liabilities	<u>27,260</u>	<u>26,270</u>
Commitments and contingencies		
Stockholders' equity		
Common stock, \$.01 par value; authorized, 10,000,000 shares; issued 5,284,500 shares	53	53
Additional paid-in capital	29,889	30,948
Treasury stock, at cost, 1,097,919 shares and 1,289,665 shares, respectively	(3,060)	(3,620)
Accumulated deficit	(8,198)	(9,570)
Accumulated other comprehensive income	<u>260</u>	<u>187</u>
Total stockholders' equity	<u>18,944</u>	<u>17,998</u>
Total liabilities and stockholders' equity	<u><u>\$46,204</u></u>	<u><u>\$44,268</u></u>

PROGRAMMER'S PARADISE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND
COMPREHENSIVE INCOME

(Unaudited)
(In thousands, except per share data)

	Six months ended		Three months ended	
	June 30,		June 30,	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Net sales	\$76,800	\$60,221	\$41,438	\$30,052
Cost of sales	<u>68,897</u>	<u>53,422</u>	<u>37,379</u>	<u>26,682</u>
Gross profit	7,903	6,799	4,059	3,370
Selling, general and administrative expenses	<u>5,891</u>	<u>6,108</u>	<u>2,924</u>	<u>3,123</u>

Income from operations	2,012	691	1,135	247
Interest income, net	279	140	166	73
Realized foreign exchange gain (loss)	2	(25)	1	(14)
Income before income tax provision	2,293	806	1,302	306
Provision for income taxes	921	321	521	121
Net income	<u>\$1,372</u>	<u>\$485</u>	<u>\$781</u>	<u>\$185</u>
Net income per common share - Basic	<u>\$0.33</u>	<u>\$0.12</u>	<u>\$0.19</u>	<u>\$0.05</u>
Net income per common share - Diluted	<u>\$0.31</u>	<u>\$0.11</u>	<u>\$0.17</u>	<u>\$0.04</u>
Weighted average common shares outstanding- Basic	<u>4,137</u>	<u>3,957</u>	<u>4,172</u>	<u>3,991</u>
Weighted average common shares outstanding- Diluted	<u>4,474</u>	<u>4,413</u>	<u>4,494</u>	<u>4,364</u>
<u>Reconciliation to comprehensive income:</u>				
Net income	\$1,372	\$485	\$781	\$185
Other comprehensive income(loss), net of tax:				
Unrealized gain on marketable securities	15	6	8	6
Foreign currency translation adjustments	58	(33)	47	(23)
Total comprehensive income	<u>\$1,445</u>	<u>\$458</u>	<u>\$836</u>	<u>\$168</u>