

Digi International Inc.
Condensed Consolidated Statements of Operations
(In thousands, except per share amounts)
(Unaudited)

	Three months ended March 31,		Six months ended March 31,	
	2007	2006	2007	2006
Net sales	\$ 42,855	\$ 34,380	\$ 84,666	\$ 67,756
Cost of sales (exclusive of amortization of purchased and core technology shown separately below)	19,215	14,894	37,865	28,904
Amortization of purchased and core technology	1,129	1,168	2,277	2,336
Gross profit	22,511	18,318	44,524	36,516
Operating expenses:				
Sales and marketing	8,427	6,802	16,585	13,553
Research and development	6,068	5,011	12,040	9,825
General and administrative	2,644	2,781	5,555	6,024
Intangibles amortization	658	512	1,325	1,023
Total operating expenses	17,797	15,106	35,505	30,425
Operating income	4,714	3,212	9,019	6,091
Other income, net	759	554	1,530	886
Income before income taxes	5,473	3,766	10,549	6,977
Income tax provision	1,876	1,199	3,150	2,227
Net income	<u>\$ 3,597</u>	<u>\$ 2,567</u>	<u>\$ 7,399</u>	<u>\$ 4,750</u>
Net income per common share, basic	<u>\$ 0.14</u>	<u>\$ 0.11</u>	<u>\$ 0.29</u>	<u>\$ 0.21</u>
Net income per common share, diluted	<u>\$ 0.14</u>	<u>\$ 0.11</u>	<u>\$ 0.28</u>	<u>\$ 0.20</u>
Weighted average common shares, basic	<u>25,186</u>	<u>23,001</u>	<u>25,131</u>	<u>22,890</u>
Weighted average common shares, diluted	<u>25,959</u>	<u>23,687</u>	<u>25,976</u>	<u>23,609</u>