

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

	Three months ended June 30,		Nine months ended June 30,	
	2007	2006	2007	2006
Net sales	\$ 43,527	\$ 35,860	\$ 128,193	\$ 103,616
Cost of sales (exclusive of amortization of purchased and core technology shown separately below)	19,392	15,222	57,257	44,126
Amortization of purchased and core technology	1,132	1,171	3,409	3,507
Gross profit	23,003	19,467	67,527	55,983
Operating expenses:				
Sales and marketing	8,517	7,277	25,102	20,830
Research and development	6,039	5,402	18,079	15,227
General and administrative	2,688	2,521	8,243	8,545
Intangibles amortization	661	516	1,986	1,539
Total operating expenses	17,905	15,716	53,410	46,141
Operating income	5,098	3,751	14,117	9,842
Other income, net	855	575	2,385	1,461
Income before income taxes	5,953	4,326	16,502	11,303
Income tax (benefit) provision	(845)	978	2,305	3,205
Net income	<u>\$ 6,798</u>	<u>\$ 3,348</u>	<u>\$ 14,197</u>	<u>\$ 8,098</u>
Net income per common share, basic	<u>\$ 0.27</u>	<u>\$ 0.14</u>	<u>\$ 0.56</u>	<u>\$ 0.35</u>
Net income per common share, diluted	<u>\$ 0.26</u>	<u>\$ 0.14</u>	<u>\$ 0.55</u>	<u>\$ 0.34</u>
Weighted average common shares, basic	<u>25,294</u>	<u>23,124</u>	<u>25,186</u>	<u>22,968</u>
Weighted average common shares, diluted	<u>26,152</u>	<u>23,904</u>	<u>26,032</u>	<u>23,695</u>