

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

	Three months ended September 30,		Twelve months ended September 30,	
	2007	2006	2007	2006
Net sales	\$ 45,070	\$ 41,047	\$ 173,263	\$ 144,663
Cost of sales (exclusive of amortization of purchased and core technology shown separately below)	20,119	18,196	77,376	62,322
Amortization of purchased and core technology	1,132	1,329	4,541	4,836
Gross profit	23,819	21,522	91,346	77,505
Operating expenses:				
Sales and marketing	8,397	7,761	33,499	28,591
Research and development	6,097	5,634	24,176	20,861
General and administrative	2,451	2,147	10,694	10,692
Intangibles amortization	663	599	2,649	2,138
In-process research and development	-	2,000	-	2,000
Total operating expenses	17,608	18,141	71,018	64,282
Operating income	6,211	3,381	20,328	13,223
Other income, net	1,011	583	3,396	2,044
Income before income taxes	7,222	3,964	23,724	15,267
Income tax provision	1,646	949	3,951	4,154
Net income	<u>\$ 5,576</u>	<u>\$ 3,015</u>	<u>\$ 19,773</u>	<u>\$ 11,113</u>
Net income per common share, basic	<u>\$ 0.22</u>	<u>\$ 0.12</u>	<u>\$ 0.78</u>	<u>\$ 0.48</u>
Net income per common share, diluted	<u>\$ 0.21</u>	<u>\$ 0.12</u>	<u>\$ 0.76</u>	<u>\$ 0.46</u>
Weighted average common shares, basic	<u>25,476</u>	<u>24,434</u>	<u>25,259</u>	<u>23,338</u>
Weighted average common shares, diluted	<u>26,385</u>	<u>25,276</u>	<u>26,121</u>	<u>24,080</u>