

**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,	
	2008	2007	2008	2007
Net sales	\$ 43,070	\$ 42,855	\$ 87,644	\$ 84,666
Cost of sales (exclusive of amortization of purchased and core technology shown separately below)	18,986	19,215	38,529	37,865
Amortization of purchased and core technology	907	1,129	2,043	2,277
Gross profit	<u>23,177</u>	<u>22,511</u>	<u>47,072</u>	<u>44,524</u>
Operating expenses:				
Sales and marketing	9,034	8,427	17,720	16,585
Research and development	6,529	6,068	13,118	12,040
General and administrative	3,364	2,644	6,717	5,555
Intangibles amortization	596	658	1,265	1,325
Total operating expenses	<u>19,523</u>	<u>17,797</u>	<u>38,820</u>	<u>35,505</u>
Operating income	3,654	4,714	8,252	9,019
Other income, net	1,008	759	2,048	1,530
Income before income taxes	4,662	5,473	10,300	10,549
Income tax provision	<u>1,565</u>	<u>1,876</u>	<u>3,533</u>	<u>3,150</u>
Net income	<u>\$ 3,097</u>	<u>\$ 3,597</u>	<u>\$ 6,767</u>	<u>\$ 7,399</u>
Net income per common share, basic	<u>\$ 0.12</u>	<u>\$ 0.14</u>	<u>\$ 0.26</u>	<u>\$ 0.29</u>
Net income per common share, diluted	<u>\$ 0.12</u>	<u>\$ 0.14</u>	<u>\$ 0.26</u>	<u>\$ 0.28</u>
Weighted average common shares, basic	<u>25,714</u>	<u>25,186</u>	<u>25,666</u>	<u>25,131</u>
Weighted average common shares, diluted	<u>26,312</u>	<u>25,959</u>	<u>26,479</u>	<u>25,976</u>