

**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,	
	2008	2007	2008	2007
Net sales	\$ 46,995	\$ 43,527	\$ 134,639	\$ 128,193
Cost of sales (exclusive of amortization of purchased and core technology shown separately below)	21,200	19,392	59,729	57,257
Amortization of purchased and core technology	938	1,132	2,981	3,409
Gross profit	24,857	23,003	71,929	67,527
Operating expenses:				
Sales and marketing	9,493	8,517	27,213	25,102
Research and development	6,995	6,039	20,113	18,079
General and administrative	2,994	2,688	9,711	8,243
Intangibles amortization	490	661	1,755	1,986
Acquired in-process research and development	1,900	-	1,900	-
Total operating expenses	21,872	17,905	60,692	53,410
Operating income	2,985	5,098	11,237	14,117
Interest income, net	712	855	2,760	2,385
Income before income taxes	3,697	5,953	13,997	16,502
Income tax provision	1,712	(845)	5,245	2,305
Net income	<u>\$ 1,985</u>	<u>\$ 6,798</u>	<u>\$ 8,752</u>	<u>\$ 14,197</u>
Net income per common share, basic	<u>\$ 0.08</u>	<u>\$ 0.27</u>	<u>\$ 0.34</u>	<u>\$ 0.56</u>
Net income per common share, diluted	<u>\$ 0.08</u>	<u>\$ 0.26</u>	<u>\$ 0.33</u>	<u>\$ 0.55</u>
Weighted average common shares, basic	<u>25,742</u>	<u>25,294</u>	<u>25,683</u>	<u>25,186</u>
Weighted average common shares, diluted	<u>26,079</u>	<u>26,152</u>	<u>26,353</u>	<u>26,032</u>