

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

	Three months ended December 31,	
	2008	2007
Net sales	\$ 41,361	\$ 44,574
Cost of sales (exclusive of amortization of purchased and core technology shown separately below)	19,069	19,543
Amortization of purchased and core technology	1,044	1,136
Gross profit	21,248	23,895
Operating expenses:		
Sales and marketing	9,625	8,686
Research and development	6,974	6,589
General and administrative	3,193	3,372
Intangibles amortization	690	669
Total operating expenses	20,482	19,316
Operating income	766	4,579
Other income (expense):		
Interest income, net	495	1,040
Other income (expense)	(236)	19
Total other income, net	259	1,059
Income before income taxes	1,025	5,638
Income tax provision	9	1,968
Net income	<u>\$ 1,016</u>	<u>\$ 3,670</u>
Net income per common share, basic	<u>\$ 0.04</u>	<u>\$ 0.14</u>
Net income per common share, diluted	<u>\$ 0.04</u>	<u>\$ 0.14</u>
Weighted average common shares, basic	<u>25,381</u>	<u>25,619</u>
Weighted average common shares, diluted	<u>25,679</u>	<u>26,593</u>