

**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,	
	2009	2008	2009	2008
Net sales	\$ 40,085	\$ 43,070	\$ 81,446	\$ 87,644
Cost of sales (exclusive of amortization of purchased and core technology shown separately below)	19,908	18,986	38,977	38,529
Amortization of purchased and core technology	<u>1,008</u>	<u>907</u>	<u>2,052</u>	<u>2,043</u>
Gross profit	19,169	23,177	40,417	47,072
Operating expenses:				
Sales and marketing	8,976	9,034	18,601	17,720
Research and development	6,196	6,529	13,170	13,118
General and administrative	2,724	3,345	5,917	6,717
Intangibles amortization	<u>674</u>	<u>596</u>	<u>1,364</u>	<u>1,265</u>
Total operating expenses	<u>18,570</u>	<u>19,504</u>	<u>39,052</u>	<u>38,820</u>
Operating income	599	3,673	1,365	8,252
Other income (expense):				
Interest income, net	354	1,008	849	2,048
Other income (expense)	<u>41</u>	<u>(19)</u>	<u>(195)</u>	<u>-</u>
Total other income, net	<u>395</u>	<u>989</u>	<u>654</u>	<u>2,048</u>
Income before income taxes	994	4,662	2,019	10,300
Income tax provision	<u>279</u>	<u>1,565</u>	<u>288</u>	<u>3,533</u>
Net income	<u>\$ 715</u>	<u>\$ 3,097</u>	<u>\$ 1,731</u>	<u>\$ 6,767</u>
Net income per common share, basic	<u>\$ 0.03</u>	<u>\$ 0.12</u>	<u>\$ 0.07</u>	<u>\$ 0.26</u>
Net income per common share, diluted	<u>\$ 0.03</u>	<u>\$ 0.12</u>	<u>\$ 0.07</u>	<u>\$ 0.26</u>
Weighted average common shares, basic	<u>24,953</u>	<u>25,714</u>	<u>25,169</u>	<u>25,666</u>
Weighted average common shares, diluted	<u>25,195</u>	<u>26,312</u>	<u>25,439</u>	<u>26,479</u>