

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

	<u>Three months ended June 30,</u>		<u>Nine months ended June 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Net sales	\$ 44,470	\$ 46,995	\$ 125,916	\$ 134,639
Cost of sales (exclusive of amortization of purchased and core technology shown separately below)	21,986	21,200	60,963	59,729
Amortization of purchased and core technology	<u>1,047</u>	<u>938</u>	<u>3,099</u>	<u>2,981</u>
Gross profit	21,437	24,857	61,854	71,929
Operating expenses:				
Sales and marketing	8,624	9,493	27,225	27,213
Research and development	6,823	6,995	19,993	20,113
General and administrative	2,743	3,349	8,660	10,066
Intangibles amortization	692	490	2,056	1,755
Restructuring costs	1,953	-	1,953	-
In-process research and development	<u>-</u>	<u>1,900</u>	<u>-</u>	<u>1,900</u>
Total operating expenses	<u>20,835</u>	<u>22,227</u>	<u>59,887</u>	<u>61,047</u>
Operating income	602	2,630	1,967	10,882
Other income (expense):				
Interest income, net	208	712	1,057	2,760
Other income, net	<u>559</u>	<u>355</u>	<u>364</u>	<u>355</u>
Total other income, net	<u>767</u>	<u>1,067</u>	<u>1,421</u>	<u>3,115</u>
Income before income taxes	1,369	3,697	3,388	13,997
Income tax (benefit) provision	<u>(24)</u>	<u>1,712</u>	<u>264</u>	<u>5,245</u>
Net income	<u>\$ 1,393</u>	<u>\$ 1,985</u>	<u>\$ 3,124</u>	<u>\$ 8,752</u>
Net income per common share, basic	<u>\$ 0.06</u>	<u>\$ 0.08</u>	<u>\$ 0.13</u>	<u>\$ 0.34</u>
Net income per common share, diluted	<u>\$ 0.06</u>	<u>\$ 0.08</u>	<u>\$ 0.12</u>	<u>\$ 0.33</u>
Weighted average common shares, basic	<u>24,607</u>	<u>25,742</u>	<u>24,982</u>	<u>25,683</u>
Weighted average common shares, diluted	<u>24,875</u>	<u>26,079</u>	<u>25,250</u>	<u>26,353</u>