

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

	Three months ended September 30,		Twelve months ended September 30,	
	2009	2008	2009	2008
Net sales	\$ 40,012	\$ 50,417	\$ 165,928	\$ 185,056
Cost of sales (exclusive of amortization of purchased and core technology shown separately below)	19,507	23,367	80,470	83,096
Amortization of purchased and core technology	<u>1,094</u>	<u>1,110</u>	<u>4,193</u>	<u>4,091</u>
Gross profit	19,411	25,940	81,265	97,869
Operating expenses:				
Sales and marketing	8,079	9,666	35,304	36,879
Research and development	6,388	6,927	26,381	27,040
General and administrative	3,125	3,639	11,785	13,705
Intangibles amortization	716	575	2,772	2,330
Restructuring costs	-	-	1,953	-
In-process research and development	-	-	-	1,900
Total operating expenses	<u>18,308</u>	<u>20,807</u>	<u>78,195</u>	<u>81,854</u>
Operating income	1,103	5,133	3,070	16,015
Other (expense) income:				
Interest income, net	92	645	1,149	3,405
Other (expense) income	<u>(301)</u>	<u>(860)</u>	<u>63</u>	<u>(505)</u>
Total other (expense) income	<u>(209)</u>	<u>(215)</u>	<u>1,212</u>	<u>2,900</u>
Income before income taxes	894	4,918	4,282	18,915
Income tax (benefit) provision	<u>(65)</u>	<u>1,319</u>	<u>199</u>	<u>6,564</u>
Net income	<u>\$ 959</u>	<u>\$ 3,599</u>	<u>\$ 4,083</u>	<u>\$ 12,351</u>
Net income per common share, basic	<u>\$ 0.04</u>	<u>\$ 0.14</u>	<u>\$ 0.16</u>	<u>\$ 0.48</u>
Net income per common share, diluted	<u>\$ 0.04</u>	<u>\$ 0.14</u>	<u>\$ 0.16</u>	<u>\$ 0.47</u>
Weighted average common shares, basic	<u>24,662</u>	<u>25,585</u>	<u>24,901</u>	<u>25,659</u>
Weighted average common shares, diluted	<u>24,981</u>	<u>26,002</u>	<u>25,183</u>	<u>26,242</u>