

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,	
	2010	2009	2010	2009
Net sales	\$ 47,238	\$ 44,470	\$ 135,282	\$ 125,916
Cost of sales (exclusive of amortization of purchased and core technology shown separately below)	22,496	21,986	63,913	60,963
Amortization of purchased and core technology	1,024	1,047	3,190	3,099
Gross profit	23,718	21,437	68,179	61,854
Operating expenses:				
Sales and marketing	9,089	8,624	27,932	27,225
Research and development	7,159	6,823	20,723	19,993
General and administrative	4,226	2,743	11,183	8,660
Intangibles amortization	700	692	2,125	2,056
Restructuring	-	1,953	(352)	1,953
Total operating expenses	21,174	20,835	61,611	59,887
Operating income	2,544	602	6,568	1,967
Other income (expense):				
Interest income, net	68	208	167	1,057
Other income (expense)	(16)	559	247	364
Total other income, net	52	767	414	1,421
Income before income taxes	2,596	1,369	6,982	3,388
Income tax (benefit) provision	(1,216)	(24)	285	264
Net income	\$ 3,812	\$ 1,393	\$ 6,697	\$ 3,124
Net income per common share, basic	\$ 0.15	\$ 0.06	\$ 0.27	\$ 0.13
Net income per common share, diluted	\$ 0.15	\$ 0.06	\$ 0.27	\$ 0.12
Weighted average common shares, basic	24,930	24,607	24,815	24,982
Weighted average common shares, diluted	25,272	24,875	25,123	25,250