

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,	
	2010	2009	2010	2009
Net sales	\$ 47,266	\$ 40,012	\$ 182,548	\$ 165,928
Cost of sales (exclusive of amortization of purchased and core technology shown separately below)	22,353	19,507	86,266	80,470
Amortization of purchased and core technology	883	1,094	4,073	4,193
Gross profit	24,030	19,411	92,209	81,265
Operating expenses:				
Sales and marketing	9,078	8,079	37,010	35,304
Research and development	7,102	6,388	27,825	26,381
General and administrative	3,875	3,125	15,058	11,785
Intangibles amortization	706	716	2,831	2,772
Restructuring costs	(116)	-	(468)	1,953
Total operating expenses	20,645	18,308	82,256	78,195
Operating income	3,385	1,103	9,953	3,070
Other income (expense):				
Interest income, net	50	92	217	1,149
Other income (expense)	102	(301)	349	63
Total other income (expense)	152	(209)	566	1,212
Income before income taxes	3,537	894	10,519	4,282
Income tax provision (benefit)	1,293	(65)	1,578	199
Net income	<u>\$ 2,244</u>	<u>\$ 959</u>	<u>\$ 8,941</u>	<u>\$ 4,083</u>
Net income per common share, basic	<u>\$ 0.09</u>	<u>\$ 0.04</u>	<u>\$ 0.36</u>	<u>\$ 0.16</u>
Net income per common share, diluted	<u>\$ 0.09</u>	<u>\$ 0.04</u>	<u>\$ 0.36</u>	<u>\$ 0.16</u>
Weighted average common shares, basic	<u>25,013</u>	<u>24,662</u>	<u>24,865</u>	<u>24,901</u>
Weighted average common shares, diluted	<u>25,248</u>	<u>24,981</u>	<u>25,154</u>	<u>25,183</u>