

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

	Three months ended December 31,	
	2010	2009
Net sales	\$ 48,334	\$ 42,968
Cost of sales (exclusive of amortization of purchased and core technology shown separately below)	22,820	20,163
Amortization of purchased and core technology	848	1,092
Gross profit	24,666	21,713
Operating expenses:		
Sales and marketing	9,798	9,240
Research and development	7,808	6,486
General and administrative	3,703	3,442
Intangibles amortization	692	716
Total operating expenses	22,001	19,884
Operating income	2,665	1,829
Other income (expense):		
Interest income, net	31	41
Other expense	(12)	(38)
Total other income, net	19	3
Income before income taxes	2,684	1,832
Income tax provision	368	633
Net income	\$ 2,316	\$ 1,199
Net income per common share, basic	\$ 0.09	\$ 0.05
Net income per common share, diluted	\$ 0.09	\$ 0.05
Weighted average common shares, basic	25,110	24,701
Weighted average common shares, diluted	25,445	24,979