

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,	
	2011	2010	2011	2010
Net sales	\$ 54,274	\$ 47,238	\$ 152,324	\$ 135,282
Cost of sales (exclusive of amortization of purchased and core technology shown separately below)	24,877	22,496	70,909	63,913
Amortization of purchased and core technology	642	1,024	2,343	3,190
Gross profit	28,755	23,718	79,072	68,179
Operating expenses:				
Sales and marketing	10,134	9,089	29,464	27,932
Research and development	7,860	7,159	23,517	20,723
General and administrative	3,913	4,226	11,600	11,183
Intangibles amortization	684	700	2,070	2,125
Restructuring	-	-	(70)	(352)
Total operating expenses	22,591	21,174	66,581	61,611
Operating income	6,164	2,544	12,491	6,568
Other (expense) income:				
Interest income, net	35	68	108	167
Other (expense) income	(378)	(16)	(613)	247
Total other (expense) income, net	(343)	52	(505)	414
Income before income taxes	5,821	2,596	11,986	6,982
Income tax provision (benefit)	2,206	(1,216)	3,816	285
Net income	\$ 3,615	\$ 3,812	\$ 8,170	\$ 6,697
Net income per common share, basic	\$ 0.14	\$ 0.15	\$ 0.32	\$ 0.27
Net income per common share, diluted	\$ 0.14	\$ 0.15	\$ 0.32	\$ 0.27
Weighted average common shares, basic	25,369	24,930	25,236	24,815
Weighted average common shares, diluted	25,879	25,272	25,687	25,123