

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

	Three months ended December 31,	
	2011	2010
Net sales	\$ 46,662	\$ 48,334
Cost of sales (exclusive of amortization of purchased and core technology shown separately below)	21,708	22,820
Amortization of purchased and core technology	524	848
Gross profit	24,430	24,666
Operating expenses:		
Sales and marketing	10,099	9,798
Research and development	8,232	7,808
General and administrative	4,474	3,753
Intangibles amortization	573	692
Restructuring	236	(50)
Total operating expenses	23,614	22,001
Operating income	816	2,665
Other income (expense):		
Interest income, net	72	31
Other income (expense)	147	(12)
Total other income, net	219	19
Income before income taxes	1,035	2,684
Income tax provision	311	368
Net income	\$ 724	\$ 2,316
Net income per common share, basic	\$ 0.03	\$ 0.09
Net income per common share, diluted	\$ 0.03	\$ 0.09
Weighted average common shares, basic	25,639	25,110
Weighted average common shares, diluted	26,143	25,445