

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

	Three months ended March 31,		Six months ended March 31,	
	2012	2011	2012	2011
Net sales	\$ 49,016	\$ 49,716	\$ 95,678	\$ 98,050
Cost of sales (exclusive of amortization of purchased and core technology shown separately below)	22,710	23,212	44,418	46,032
Amortization of purchased and core technology	523	853	1,047	1,701
Gross profit	25,783	25,651	50,213	50,317
Operating expenses:				
Sales and marketing	10,340	9,532	20,439	19,330
Research and development	7,753	7,849	15,985	15,657
General and administrative	3,681	3,934	8,155	7,687
Intangibles amortization	520	694	1,093	1,386
Restructuring	60	(20)	296	(70)
Total operating expenses	22,354	21,989	45,968	43,990
Operating income	3,429	3,662	4,245	6,327
Other income (expense):				
Interest income, net	59	42	131	73
Other income (expense)	8	(223)	155	(235)
Total other income (expense), net	67	(181)	286	(162)
Income before income taxes	3,496	3,481	4,531	6,165
Income tax provision	1,374	1,242	1,685	1,610
Net income	\$ 2,122	\$ 2,239	\$ 2,846	\$ 4,555
Net income per common share, basic	\$ 0.08	\$ 0.09	\$ 0.11	\$ 0.18
Net income per common share, diluted	\$ 0.08	\$ 0.09	\$ 0.11	\$ 0.18
Weighted average common shares, basic	25,709	25,230	25,674	25,169
Weighted average common shares, diluted	26,205	25,692	26,172	25,562