

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,	
	2013	2012	2013	2012
Net sales	\$ 48,197	\$ 49,016	\$ 95,188	\$ 95,678
Cost of sales	23,236	23,233	45,748	45,465
Gross profit	24,961	25,783	49,440	50,213
Operating expenses:				
Sales and marketing	10,414	10,340	20,688	20,439
Research and development	7,775	7,753	15,192	15,985
General and administrative	6,390	4,201	11,506	9,248
Restructuring	(37)	60	(37)	296
Total operating expenses	24,542	22,354	47,349	45,968
Operating income	419	3,429	2,091	4,245
Other income (expense), net:				
Interest income	50	74	102	146
Interest expense	(37)	(15)	(37)	(15)
Other income, net	438	8	562	155
Total other income, net	451	67	627	286
Income before income taxes	870	3,496	2,718	4,531
Income tax (benefit) provision	(130)	1,374	488	1,685
Net income	\$ 1,000	\$ 2,122	\$ 2,230	\$ 2,846
Net income per common share:				
Basic	\$ 0.04	\$ 0.08	\$ 0.09	\$ 0.11
Diluted	\$ 0.04	\$ 0.08	\$ 0.08	\$ 0.11
Weighted average common shares:				
Basic	26,138	25,709	26,163	25,674
Diluted	26,476	26,205	26,474	26,172