

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

	Three months ended December 31,	
	2014	2013
Revenue:		
Hardware product	\$ 44,933	\$ 41,989
Service	3,790	5,333
Total revenue	<u>48,723</u>	<u>47,322</u>
Cost of sales:		
Cost of hardware product	23,112	20,263
Cost of service	3,689	4,151
Total cost of sales	<u>26,801</u>	<u>24,414</u>
Gross profit	21,922	22,908
Operating expenses:		
Sales and marketing	10,792	10,219
Research and development	7,562	7,257
General and administrative	5,188	4,723
Restructuring charges, net	—	81
Total operating expenses	<u>23,542</u>	<u>22,280</u>
Operating (loss) income	(1,620)	628
Other income, net:		
Interest income	38	43
Other income, net	388	93
Total other income, net	<u>426</u>	<u>136</u>
(Loss) income before income taxes	(1,194)	764
Income tax (benefit) provision	(855)	76
Net (loss) income	<u>\$ (339)</u>	<u>\$ 688</u>
Net income per common share:		
Basic	\$ (0.01)	\$ 0.03
Diluted	<u>\$ (0.01)</u>	<u>\$ 0.03</u>
Weighted average common shares:		
Basic	24,150	25,716
Diluted	<u>24,150</u>	<u>26,229</u>