

AVOCENT CORPORATION
Condensed Consolidated Statements of Operations
(Unaudited, in thousands, except per share data)

For the Quarter Ended October 1, 2004

	Operational	Adjustments *	GAAP
Net sales	\$ 91,325		\$ 91,325
Cost of sales	38,201		38,201
Gross profit	53,124	-	53,124
Research and development expenses	11,059	\$ 715	11,774
Acquired in-process research and development expense	-	1,050	1,050
Selling, general and administrative expenses	20,344	863	21,207
Amortization of intangible assets	-	6,482	6,482
Operating income	21,721	(9,110)	12,611
Other income (expense), net	1,238	(15)	1,223
Income before income taxes	22,959	(9,125)	13,834
Provision for income taxes	5,786	(2,774)	3,012
Net income	<u>\$ 17,173</u>	<u>\$ (6,351)</u>	<u>\$ 10,822</u>
Earnings per share:			
Basic	\$ 0.35		\$ 0.22
Diluted	\$ 0.34		\$ 0.21
Weighted average shares and common equivalents outstanding:			
Basic	49,323	-	49,323
Diluted	50,644	(142)	50,502

For the Quarter Ended September 26, 2003

	Operational	Adjustments *	GAAP
Net sales	\$ 76,482		\$ 76,482
Cost of sales	32,829	\$ 80	32,909
Gross profit	43,653	(80)	43,573
Research and development expenses	7,000	103	7,103
Selling, general and administrative expenses	16,069	769	16,838
Amortization of intangible assets	-	4,739	4,739
Operating income	20,584	(5,691)	14,893
Other income (expense), net	1,039	3,158	4,197
Income before income taxes	21,623	(2,533)	19,090
Provision for income taxes	6,341	(727)	5,614
Net income	<u>\$ 15,282</u>	<u>\$ (1,806)</u>	<u>\$ 13,476</u>
Earnings per share:			
Basic	\$ 0.33		\$ 0.29
Diluted	\$ 0.32		\$ 0.28
Weighted average shares and common equivalents outstanding:			
Basic	46,347	-	46,347
Diluted	47,850	(80)	47,770

* Note: Adjustments relate to acquired in-process research and development expense from the Sonic Mobility acquisition and amortization of deferred compensation (from the capitalization of the value of stock options assumed) and intangibles recorded as the result of the merger of Apex and Cybex in July 2000 and the acquisitions of Equinox, 2C, Soronti, Crystal Link, OSA and Sonic Mobility. Adjustments in 2003 include a realized gain on the disposal of an equity security investment which had been written down in the fourth quarter of 2001. The calculation of weighted average shares and common equivalents outstanding differs due to excluding the average unamortized deferred compensation expense in calculating the operational diluted shares outstanding.

AVOCENT CORPORATION
Condensed Consolidated Statements of Operations
(Unaudited, in thousands, except per share data)

For the Nine Months Ended October 1, 2004

	Operational	Adjustments *	GAAP
Net sales	\$ 265,206		\$ 265,206
Cost of sales	111,190	\$ 190	111,380
Gross profit	154,016	(190)	153,826
Research and development expenses	30,650	1,778	32,428
Acquired in-process research and development expense	-	29,260	29,260
Selling, general and administrative expenses	60,788	2,790	63,578
Amortization of intangible assets	-	17,656	17,656
Operating income	62,578	(51,674)	10,904
Other income (expense), net	3,249	(45)	3,204
Income before income taxes	65,827	(51,719)	14,108
Provision for income taxes	17,179	(9,044)	8,135
Net income	<u>\$ 48,648</u>	<u>\$ (42,675)</u>	<u>\$ 5,973</u>
Earnings per share:			
Basic	\$ 1.00		\$ 0.12
Diluted	\$ 0.97		\$ 0.12
Weighted average shares and common equivalents outstanding:			
Basic	48,663	-	48,663
Diluted	50,353	(70)	50,283

For the Nine Months Ended September 26, 2003

	Operational	Adjustments *	GAAP
Net sales	\$ 218,256		\$ 218,256
Cost of sales	93,873	\$ 528	94,401
Gross profit	124,383	(528)	123,855
Research and development expenses	20,598	971	21,569
Selling, general and administrative expenses	48,577	3,044	51,621
Amortization of intangible assets	-	17,051	17,051
Operating income	55,208	(21,594)	33,614
Other income (expense), net	2,949	3,127	6,076
Income before income taxes	58,157	(18,467)	39,690
Provision for income taxes	16,220	(5,519)	10,701
Net income	<u>\$ 41,937</u>	<u>\$ (12,948)</u>	<u>\$ 28,989</u>
Earnings per share:			
Basic	\$ 0.91		\$ 0.63
Diluted	\$ 0.88		\$ 0.61
Weighted average shares and common equivalents outstanding:			
Basic	45,900	-	45,900
Diluted	47,390	(129)	47,261

* Note: Adjustments relate to acquired in-process research and development expense from the Crystal Link Technologies, OSA Technologies, and Sonic Mobility acquisitions. Adjustments also include the amortization of deferred compensation (from the capitalization of the value of stock options assumed) and intangibles recorded as the result of the merger of Apex and Cybex in July 2000 and the acquisitions of Equinox, 2C, Soronti, Crystal Link, OSA and Sonic Mobility. Adjustments in 2003 include a realized gain on the disposal of an equity security investment which had been written down in the fourth quarter of 2001. The calculation of weighted average shares and common equivalents outstanding differs due to excluding the average unamortized deferred compensation expense in calculating the operational diluted shares outstanding.

AVOCENT CORPORATION
Condensed Consolidated Balance Sheets
(Dollars in thousands)

	October 1, 2004 (Unaudited)	December 31, 2003	
Cash, cash equivalents and short-term investments	\$ 214,208	\$ 223,392	
Accounts receivable, net	55,664	45,011	
Current and deferred income tax receivable	11,976	5,031	
Other receivables, net	672	225	
Inventories, net	21,075	21,324	
Other current assets	4,716	4,251	
Total current assets	308,311	299,234	
Investments	86,678	84,410	
Property and equipment, net	39,792	38,473	
Goodwill, net	268,035	206,037	
Intangible assets, net	40,598	31,889	
Other assets	837	720	
Total assets	\$ 744,251	\$ 660,763	
Accounts payable and other accrued expenses	\$ 17,283	\$ 19,154	
Income tax payable	13,239	6,702	
Other current liabilities	17,924	16,866	
Total current liabilities	48,446	42,722	
Non-current liabilities	15,725	10,884	
Total stockholders' equity	680,080	607,157	
Total liabilities and stockholders' equity	\$ 744,251	\$ 660,763	