

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

	For the Quarter Ended December 31, 2005		
	Operational	Adjustments *	GAAP
Net sales	\$ 106,837		\$ 106,837
Cost of sales	41,721		41,721
Gross profit	65,116	-	65,116
Research and development expenses	13,123	\$ 266	13,389
Selling, general and administrative expenses	22,916	370	23,286
Amortization of intangible assets	-	2,533	2,533
Operating income	29,077	(3,169)	25,908
Other income (expense), net	2,316	727	3,043
Income before income taxes	31,393	(2,442)	28,951
Provision for income taxes	6,818	3,082	9,900
Net income	<u>\$ 24,575</u>	<u>\$ (5,524)</u>	<u>\$ 19,051</u>
Earnings per share:			
Basic	\$ 0.50		\$ 0.39
Diluted	\$ 0.49		\$ 0.38
Weighted average shares and common equivalents outstanding:			
Basic	48,917	-	48,917
Diluted	49,771	(8)	49,763

	For the Quarter Ended December 31, 2004		
	Operational	Adjustments *	GAAP
Net sales	\$ 100,049		\$ 100,049
Cost of sales	41,021		41,021
Gross profit	59,028	-	59,028
Research and development expenses	12,248	\$ 677	12,925
Selling, general and administrative expenses	20,381	864	21,245
Amortization of intangible assets	-	6,623	6,623
Operating income	26,399	(8,164)	18,235
Other income (expense), net	1,613	(3,464)	(1,851)
Income before income taxes	28,012	(11,628)	16,384
Provision for income taxes	7,363	(3,046)	4,317
Net income	<u>\$ 20,649</u>	<u>\$ (8,582)</u>	<u>\$ 12,067</u>
Earnings per share:			
Basic	\$ 0.41		\$ 0.24
Diluted	\$ 0.40		\$ 0.23
Weighted average shares and common equivalents outstanding:			
Basic	49,874	-	49,874
Diluted	51,553	(78)	51,475

\* Note: Adjustments relate to 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, the acquisitions of Equinox, 2C, Soronti, Crystal Link, OSA and Sonic Mobility. The adjustment to other income includes a gain on the sale of property held for investment in 2005; adjustments in 2004 include a write-down of investments in two privately held companies. The adjustment to the 2005 provision for taxes includes a one-time tax expense related to repatriated earnings from our foreign subsidiary pursuant to the American Jobs Creation Act of 2004. 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 Year Ended December 31, 2005		
	Operational	Adjustments *	GAAP
Net sales	\$ 369,888		\$ 369,888
Cost of sales	151,043		151,043
Gross profit	<u>218,845</u>	-	<u>218,845</u>
Research and development expenses	55,747	\$ 1,138	56,885
Selling, general and administrative expenses	88,861	1,493	90,354
Amortization of intangible assets	-	18,509	18,509
Operating income	<u>74,237</u>	<u>(21,140)</u>	<u>53,097</u>
Income from settlement of lawsuit	5,000		5,000
Other income (expense), net	8,307	682	8,989
Income before income taxes	<u>87,544</u>	<u>(20,458)</u>	<u>67,086</u>
Provision for income taxes	21,743	(3,006)	18,737
Net income	<u>\$ 65,801</u>	<u>\$ (17,452)</u>	<u>\$ 48,349</u>
Earnings per share:			
Basic	\$ 1.33		\$ 0.98
Diluted	\$ 1.31		\$ 0.96
Weighted average shares and common equivalents outstanding:			
Basic	49,318	-	49,318
Diluted	50,287	(33)	50,254

	For the Year Ended December 31, 2004		
	Operational	Adjustments *	GAAP
Net sales	\$ 365,255		\$ 365,255
Cost of sales	152,210	\$ 190	152,400
Gross profit	<u>213,045</u>	<u>(190)</u>	<u>212,855</u>
Research and development expenses	42,898	2,455	45,353
Acquired in-process research and development expense	-	29,260	29,260
Selling, general and administrative expenses	81,171	3,652	84,823
Amortization of intangible assets	-	24,279	24,279
Operating income	<u>88,976</u>	<u>(59,836)</u>	<u>29,140</u>
Other income (expense), net	4,862	(3,510)	1,352
Income before income taxes	<u>93,838</u>	<u>(63,346)</u>	<u>30,492</u>
Provision for income taxes	24,541	(12,089)	12,452
Net income	<u>\$ 69,297</u>	<u>\$ (51,257)</u>	<u>\$ 18,040</u>
Earnings per share:			
Basic	\$ 1.42		\$ 0.37
Diluted	\$ 1.37		\$ 0.36
Weighted average shares and common equivalents outstanding:			
Basic	48,964	-	48,964
Diluted	50,658	(128)	50,530

\* Note: Adjustments relate to acquired in-process research and development expense from the Sonic Mobility, OSA and Crystal Link acquisitions 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, the acquisitions of Equinox, 2C, Soronti, Crystal Link, OSA and Sonic Mobility. The adjustment to other income includes a gain on the sale of property held for investment in 2005; adjustments in 2004 include a write-down of investments in two privately held companies. The adjustment to the 2005 provision for taxes includes a one-time tax expense related to repatriated earnings from our foreign subsidiary pursuant to the American Jobs Creation Act of 2004. 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**  
**(Unaudited, in thousands)**

	December 31, 2005	December 31, 2004
Cash, cash equivalents and short-term investments	\$ 293,903	\$ 239,799
Accounts receivable, net	68,712	60,948
Inventories, net	21,178	21,232
Other current assets	10,524	5,923
Deferred income tax	4,054	6,720
Total current assets	398,371	334,622
Investments	51,939	91,547
Property and equipment, net	36,801	39,896
Goodwill, net	269,992	269,892
Intangible assets, net	15,763	33,981
Other assets	885	843
Total assets	\$ 773,751	\$ 770,781
Accounts payable and other accrued expenses	\$ 23,569	\$ 21,368
Income tax payable	11,270	8,494
Other current liabilities	19,973	16,767
Total current liabilities	54,812	46,629
Non-current liabilities	3,617	10,855
Total stockholders' equity	715,322	713,297
Total liabilities and stockholders' equity	\$ 773,751	\$ 770,781