

Digi International Inc.
Condensed Consolidated Statement of Cash Flows
(In thousands)
(Unaudited)

	Three months ended March 31, 2009	Six months ended March 31, 2009
Operating activities:		
Net income	\$ 715	\$ 1,731
Adjustments to reconcile net income to net cash provided by operations		
Depreciation of property, equipment and improvements	613	1,203
Amortization of identifiable intangible assets and other assets	1,808	3,662
Excess tax benefits from stock-based compensation	(40)	(42)
Stock-based compensation	874	1,842
Deferred income taxes	(704)	(1,540)
Other	(72)	40
Changes in operating assets and liabilities	(2,006)	(7,694)
Net cash provided by (used in) operating activities	1,188	(798)
Investing activities:		
Purchase of marketable securities	(3,474)	(7,647)
Proceeds from maturities of marketable securities	15,999	32,063
Purchase of property, equipment, improvements and certain other intangible assets	(823)	(1,666)
Net cash provided by investing activities	11,702	22,750
Financing activities:		
Payments on capital lease obligations	(70)	(139)
Excess tax benefits from stock-based compensation	40	42
Purchase of treasury stock	(6,150)	(6,150)
Proceeds from stock option plan transactions	65	120
Proceeds from employee stock purchase plan transactions	220	529
Net cash used in financing activities	(5,895)	(5,598)
Effect of exchange rate changes on cash and cash equivalents	(1,086)	(1,989)
Net increase in cash and cash equivalents	5,909	14,365
Cash and cash equivalents, beginning of period	22,632	14,176
Cash and cash equivalents, end of period	\$ 28,541	\$ 28,541