

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

	Three months ended June 30, 2009	Nine months ended June 30, 2009
Operating activities:		
Net income	\$ 1,393	\$ 3,124
Adjustments to reconcile net income to net cash provided by operations		
Depreciation of property, equipment and improvements	696	1,899
Amortization of identifiable intangible assets and other assets	1,869	5,531
Excess tax benefits from stock-based compensation	(2)	(44)
Stock-based compensation	848	2,690
Deferred income taxes	(806)	(2,346)
Other	(107)	(67)
Changes in operating assets and liabilities	1,180	(6,514)
Net cash provided by operating activities	<u>5,071</u>	<u>4,273</u>
Investing activities:		
Purchase of marketable securities	(13,968)	(21,615)
Proceeds from maturities of marketable securities	13,212	45,275
Acquisition of MobiApps, net of cash acquired	(2,969)	(2,969)
Purchase of property, equipment, improvements and certain other intangible assets	(661)	(2,327)
Net cash (used in) provided by investing activities	<u>(4,386)</u>	<u>18,364</u>
Financing activities:		
Payments on capital lease obligations	(172)	(311)
Excess tax benefits from stock-based compensation	2	44
Purchase of treasury stock	(426)	(6,576)
Proceeds from stock option plan transactions	5	125
Proceeds from employee stock purchase plan transactions	258	787
Net cash used in financing activities	<u>(333)</u>	<u>(5,931)</u>
Effect of exchange rate changes on cash and cash equivalents	778	(1,211)
Net increase in cash and cash equivalents	1,130	15,495
Cash and cash equivalents, beginning of period	<u>28,541</u>	<u>14,176</u>
Cash and cash equivalents, end of period	<u>\$ 29,671</u>	<u>\$ 29,671</u>