

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

	Three months ended September 30, 2009	Twelve months ended September 30, 2009
Operating activities:		
Net income	\$ 959	\$ 4,083
Adjustments to reconcile net income to net cash provided by operations		
Depreciation of property, equipment and improvements	682	2,581
Amortization of identifiable intangible assets and other assets	1,945	7,476
Excess tax benefits from stock-based compensation	(36)	(80)
Stock-based compensation	828	3,518
Deferred income taxes	(793)	(3,139)
Restructuring	(798)	721
Other	453	386
Changes in operating assets and liabilities	8,173	140
Net cash provided by operating activities	11,413	15,686
Investing activities:		
Purchase of marketable securities	(8,874)	(30,489)
Proceeds from maturities of marketable securities	17,349	62,624
Acquisition of MobiApps, net of cash acquired	(17)	(2,986)
Purchase of property, equipment, improvements and certain other intangible assets	(1,536)	(3,863)
Net cash provided by investing activities	6,922	25,286
Financing activities:		
Payments on capital lease obligations	(25)	(336)
Excess tax benefits from stock-based compensation	36	80
Purchase of treasury stock	-	(6,576)
Proceeds from stock option plan transactions	298	423
Proceeds from employee stock purchase plan transactions	195	982
Net cash provided by (used in) financing activities	504	(5,427)
Effect of exchange rate changes on cash and cash equivalents	(76)	(1,287)
Net increase in cash and cash equivalents	18,763	34,258
Cash and cash equivalents, beginning of period	29,671	14,176
Cash and cash equivalents, end of period	\$ 48,434	\$ 48,434