

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

	Three months ended December 31,	
	2014	2013
Operating activities:		
Net (loss) income	\$ (339)	\$ 688
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation of property, equipment and improvements	752	897
Amortization of identifiable intangible assets	770	952
Stock-based compensation	1,184	1,023
Excess tax benefits from stock-based compensation	—	(20)
Deferred income tax provision (benefit)	412	(506)
Bad debt/product return provision	30	22
Inventory obsolescence	230	229
Restructuring charges, net	—	81
Other	(6)	102
Changes in operating assets and liabilities	2,310	(3,805)
Net cash provided by (used in) operating activities	<u>5,343</u>	<u>(337)</u>
Investing activities:		
Purchase of marketable securities	(12,135)	—
Proceeds from maturities of marketable securities	9,321	7,109
Purchase of property, equipment, improvements and certain other intangible assets	(1,469)	(975)
Net cash (used in) provided by investing activities	<u>(4,283)</u>	<u>6,134</u>
Financing activities:		
Excess tax benefits from stock-based compensation	—	20
Proceeds from stock option plan transactions	9	2,813
Proceeds from employee stock purchase plan transactions	261	296
Purchases of common stock	(2,257)	—
Net cash (used in) provided by financing activities	<u>(1,987)</u>	<u>3,129</u>
Effect of exchange rate changes on cash and cash equivalents	(1,520)	224
Net (decrease) increase in cash and cash equivalents	<u>(2,447)</u>	<u>9,150</u>
Cash and cash equivalents, beginning of period	47,490	41,320
Cash and cash equivalents, end of period	<u>\$ 45,043</u>	<u>\$ 50,470</u>