Digi International and Red Hat Marketing Program to Bring Linux-Based Communications Server to Small Business

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JBSi to be One of the First Distributors in Program; Preparing to Offer White Box Bundle for Resellers, Integrators

MINNEAPOLIS--(BUSINESS WIRE)--Jan. 18, 2000--Digi International(R) (Nasdaq: DGII) today announced an agreement with Red Hat Inc., the leading developer and provider of open source solutions, to join in marketing programs that will enable distributors, resellers and integrators to offer Linux-based communications servers designed specifically to suit the needs of small- to medium-sized businesses.

The servers will offer smaller businesses a low-cost, reliable platform for key business communications applications such as routing, point of sale, remote access and fax.

Digi(TM) is the worldwide leading supplier of communications adapter cards for Linux and other major server operating systems. JBSi (Jones Business Systems, Inc.), a leading North American value-added hardware and software distributor, will be one of the first distributors to participate in the program.

JBSi has committed to offering resellers and integrators a variety of white box product bundles. Choices are expected to range from a basic offering of a Digi DataFire(R) or AccelePort(R) communications adapter and the Red Hat Linux operating system to a fully-configured JBSi Terian(TM) server equipped with a Digi communications adapter and Red Hat Linux. All product bundles will include a comprehensive solution guide with instructions on integration and installation. Resellers or integrators can then modify and enhance the system to meet the requirements of specific customers. Comprehensive support will be offered by Digi, Red Hat and JBSi.

Digi brings to the partnership the power and reliability of its industry-leading communications adapters, along with proven experience and success in the third party sales channel and the small- to medium-sized enterprise market. Red Hat will offer its popular Linux software, combined with a comprehensive support infrastructure that will help make Linux-based communications servers more attractive to smaller companies.

"We are looking forward to this expansion of our relationship with Red Hat," said Joseph Dunsmore, president and CEO of Digi International. "Together, we are creating a reliable solution that offers a wide range of features and extensive support at a low cost, all of which will make it very attractive to a small business."

Added Lisa Sullivan, director of channel sales, Red Hat, Inc., "Both Digi and Red Hat are committed to providing cost-effective yet reliable and versatile solutions. Together, Red Hat and Digi will use their experience in the reseller channel to offer value-rich solutions to small- and medium-sized enterprises."

Donald Young, vice president of JBSi, said, "This alliance creates a tremendous opportunity for the reseller community. Digi's server-based approach offers resellers the scalability and flexibility they need to configure robust, cost-effective solutions for their customers while at the same time increasing their margin. The Digi/Red Hat channel bundle will enable VARs to effectively respond to the increasing demand among small- to medium-sized enterprises for low-cost, Linux-based communication servers."

Digi offers the broadest array of remote access adapters in the industry. Digi RAS (Remote Access Server) products can handle as many as 60 ports on a single PCI adapter and support both high-speed analog and digital data lines on the same card at the same time. DataFire RAS(TM) adapters provide high-density modems and ISDN B channel connections over T1/E1/PRI lines. AccelePort RAS(TM) adapters offer POTS/modem-based remote access connections up to 56Kbps.

Market Opportunities for Linux, Open Systems

According to market research firm International Data Corporation (IDC), Linux commercial shipments will grow faster than the total shipments of all other client or server operating systems through 2003. IDC research also states that Linux was the fastest-growing server operating environment in 1998, growing more than 212 percent in that year alone and capturing more than 17 percent of all server operating system shipments. Today, Linux boasts more than one million users worldwide.

A 1999 IDC study identified Digi as the leader in the open systems RAS market with a 32 percent share of the digital remote access market and 62 percent market share in the asynchronous remote access market. Open systems RAS refers to the use of: standard PC servers; operating systems such as Windows NT and Novell NetWare; and server cards or adapters that, when combined, can be used to perform remote access applications. IDC predicted that the overall open-systems RAS market will reach $750 million by 2002. According to IDC, open-systems RAS offers strategic benefits such as the flexibility to adapt to new standards, simple administration, reduced operating costs and interoperability with other third party software applications.

Digi International

Digi International (Nasdaq: DGII), based in Minneapolis, is a leading worldwide provider of voice and data communications hardware and software delivering seamless connectivity solutions for open systems, server-based remote access and LAN markets. The company markets its products through a global network of distributors and resellers, system integrators and original equipment manufacturers (OEMs). For more information, visit Digi's Web site at www.digi.com or call (800) 344-4273 (U.S.) or (612) 912-3444 (International).

Red Hat Inc.

Founded in 1994, Red Hat, Inc. is based in Research Triangle Park, NC, where it is the leader in the development of open source operating system solutions. Through the open source development model, Red Hat development works to build the most accessible and advanced operating system available anywhere with technical innovations such as the RPM(tm) Package Manager, the Disk Druid installation tool and the GNOME user interface. Red Hat Linux is available for Intel, Compaq Alpha, and Sun SPARC platforms.

Jones Business Systems, Inc. (JBSi)

Jones Business Systems, Inc. (JBSi) manufactures a comprehensive line of white box platforms, the Terian product line, from its technology center in Stafford, TX. The company's services-rich approach to value-add distribution has placed it in a leadership position in delivering a wide range of hardware and software enterprise technologies to its national reseller base. JBSi has remote offices in San Clemente, CA; Columbus, OH; Kansas City, MO; Dallas, TX; and Westboro, MA. For additional facts about the company please visit http://www.jbsi.com.

Digi, Digi International, the Digi logo, DataFire RAS and AccelePort RAS are trademarks or registered trademarks of Digi International Inc. in the United States and other countries. All other brand names and product names are trademarks or registered trademarks of their respective companies.

Certain statements made in this release are forward looking statements that involve risks and uncertainties. These forward-looking statements are not guaranties of the company's future performance. Important factors could cause actual results to defer materially include, but are not limited to the following: rapid changes in products and technologies that may displace products sold by Digi, the competitive industry within which Digi operates, Digi's reliance on distributors, declining prices of networking products, and changes in the companies level of profitability.

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