

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) February 13, 2002

DIGI INTERNATIONAL INC.

(Exact name of Registrant as specified in its charter)

DELAWARE	0-17972	41-1532464
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(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

11001 BREN ROAD EAST MINNETONKA, MINNESOTA	55343
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(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (952) 912-3444

Item 2. Acquisition or Disposition of Assets.

On February 13, 2002, Digi International Inc. ("Digi") completed its merger with NetSilicon, Inc. ("NetSilicon"). Pursuant to the previously announced Agreement and Plan of Merger, dated as of October 30, 2001, among Digi, Dove Sub Inc., a wholly owned subsidiary of Digi ("Dove Sub"), and NetSilicon (the "Merger Agreement"), NetSilicon merged with and into Dove Sub (the "Merger"). At a Special Meeting of Stockholders held on February 13, 2002, Digi's stockholders approved the issuance of shares of Digi common stock required to consummate the Merger.

As a result of the Merger, each share of NetSilicon common stock issued and outstanding immediately prior to the effective time of the Merger has been converted into the right to receive .65 shares of Digi common stock. Each NetSilicon stockholder also had the right to elect to receive cash for some or all of his shares. However, because the cash elections by all NetSilicon stockholders would have required Digi to pay more than \$15 million in cash in the Merger, under the terms of the Merger Agreement NetSilicon stockholders who elected to receive cash were cut back on a proportionate basis. Pursuant to the Merger Agreement the per-share cash payment for each share of NetSilicon common stock is \$3.9969, which is equal to .65 times the average per-share closing price of Digi common stock on the Nasdaq National Market over the period of ten trading days ending on the third trading day before the closing of the Merger.

Based on the number of shares of NetSilicon common stock outstanding on December 17, 2001 and NetSilicon stockholders' cash elections, Digi has paid \$15 million in cash and issued approximately 6.4 million shares of Digi common stock, representing approximately 29% of the outstanding shares of Digi common stock after the Merger.

NetSilicon designs and manufactures integrated solutions for manufacturers who want to build intelligence and Internet/Ethernet connectivity into their products. The NetSilicon solutions integrate system-on-silicon and software to provide a complete platform for Internet/Ethernet-connected devices. NetSilicon is enabling device intelligence and connectivity in a broad range of industries, including office imaging, industrial automation, telecommunications, building controls, security and retail point-of-sale. Digi expects to continue to use NetSilicon's assets in substantially the same manner as they were used by NetSilicon prior to the acquisition.

There were no material relationships between Digi and NetSilicon prior to the consummation of the Merger. In accordance with the terms of the Merger Agreement, on February 12, 2002, Cornelius Peterson, VIII, who previously served as the Chairman and Chief Executive Officer of NetSilicon, was elected to the Board of Directors of Digi and named Senior Vice President of Business Development of Digi, effective as of the effective time of the Merger.

On February 13, 2002, Digi issued a press release announcing the effectiveness of the Merger, a copy of which is attached hereto as Exhibit 99, and is incorporated herein by reference.

Item 7. Financial Statements and Exhibits.

The following information follows or is attached hereto as an exhibit:

- (a) Financial Statements of NetSilicon.

The financial statements required by this Item will be filed as soon as practicable, and in any event not later than April 29, 2002.

- (b) Pro Forma Financial Information of Registrant and NetSilicon.

The pro forma financial information required by this Item will be filed as soon as practicable, and in any event not later than April 29, 2002.

(c) Exhibits.

2. Agreement and Plan of Merger among Digi International Inc., Dove Sub Inc. and NetSilicon, Inc., dated as of October 30, 2001 (incorporated by reference to Annex A to the joint proxy statement/prospectus dated January 9, 2002, included in a Registration Statement on Form S-4 filed by Digi International Inc. on January 4, 2002, as amended (Reg. No. 333-74118)).
99. Press Release dated February 13, 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DIGI INTERNATIONAL INC.

Date: February 22, 2002

By /s/ Subramanian Krishnan

Subramanian Krishnan
Senior Vice President, Chief Financial
Officer and Treasurer

EXHIBIT INDEX

No. -----	Exhibit -----	Manner of Filing -----
2	Agreement and Plan of Merger among Digi International Inc., Dove Sub Inc. and NetSilicon, Inc., dated as of October 30, 2001 (incorporated by reference to Annex A to the joint proxy statement/prospectus dated January 9, 2002, included in a Registration Statement on Form S-4 filed by Digi International Inc. on January 4, 2002, as amended (Reg. No. 333-74118)).	Incorporated by Reference
99	Press Release dated February 13, 2002.	Filed Electronically

DIGI INTERNATIONAL COMPLETES ACQUISITION OF NETSILICON
Combined Company Leads the Growing Connectware Market

Minneapolis, February 13, 2002 - Digi International(R) Inc. (Nasdaq: DGII), the leading provider of Connectware(TM), a category of wired and wireless, hardware and software connectivity solutions, and NetSilicon, Inc. (Nasdaq: NSIL), the leading provider of integrated hardware and software for intelligent networked devices, announced today that they have received shareholder approval for the completion of their previously announced merger. Under the terms of the merger agreement, Digi expects to pay \$15 million in cash and issue approximately 6.4 million shares of Digi common stock.

"The combination of Digi's growing line of Connectware products with NetSilicon's next-generation solutions for intelligent, networked devices creates the broadest and most competitive family of device connectivity solutions in the industry," Digi's Chairman, President and CEO, Joe Dunsmore, stated. "Digi's market leadership position and strong financial condition will enable us to continue to support our strategy of fueling development of products in growth markets, including device servers, terminal servers and embedded network connectivity."

Cornelius ("Pete") Peterson, VIII, who previously served as the Chairman and Chief Executive Officer of NetSilicon, has been elected to Digi's Board of Directors and appointed Senior Vice President of Business Development for the merged company.

"We believe that NetSilicon's expertise in embedded solutions combined with our early-to-market advantage among OEM customers are the perfect compliment to Digi's Connectware strategy and strong two tier distribution channel," said Mr. Peterson. "The combined company will also benefit from expertise in several key vertical markets, including retail point-of-sale, industrial automation, hospitality, imaging, building controls and home automation."

At a Special Meeting of Stockholders held on February 13, 2002, Digi's stockholders approved the issuance of shares of Digi common stock required to consummate the merger. As a result of the merger, each share of NetSilicon common stock issued and outstanding immediately prior to the effective time of the merger has been converted into the right to receive .65 shares of Digi common stock. Each NetSilicon stockholder also had the right to elect to receive cash for some or all of his shares. However, because the cash elections by all NetSilicon stockholders would have required Digi to pay more than \$15 million in cash in the merger, under the terms of the merger agreement NetSilicon stockholders who elected to receive cash were cut back on a proportionate basis. Pursuant to the merger agreement the per-share cash payment for each share of NetSilicon common stock is \$3.9969, which is equal to .65 times the average per-share closing price of Digi common stock on the Nasdaq National Market over the period of ten trading days ending on the third trading day before the closing of the merger.

ABOUT DIGI INTERNATIONAL

Digi International, based in Minneapolis, is the leader in Connectware, wired and wireless, hardware and software connectivity solutions. Connectware network-enables the essential devices that build business. Digi markets its products through a global network of distributors and resellers, systems integrators and original equipment manufacturers (OEMs).

DIGI INTERNATIONAL COMPLETES ACQUISITION OF NETSILICON

For more information, visit Digi's Web site at www.digi.com, or call (800) 344-4273 (U.S.) or (952) 912-3444 (International).

ABOUT NETSILICON

NetSilicon designs and manufactures integrated device networking platforms for manufacturers who want to build intelligence and Internet/Ethernet connectivity into their electronic products. These platforms integrate system-on-silicon and software to provide a complete solution for connecting devices to a network or the Internet. The NET+Works platform allows manufacturers to shorten their time to market, reduce development risk, lower costs, and free their engineers from the difficult task of integrating multi-vendor networking components. NetSilicon is enabling device intelligence and connectivity in a broad range of industries, including telecommunications, building controls, security, retail point-of-sale and office imaging. NetSilicon's solutions are paving the way for the device-centric networks of tomorrow.

For additional NetSilicon product or financial information, please visit the NetSilicon Web site, www.NetSilicon.com, send email to info@NetSilicon.com, or call (800) 243-2333 (U.S.) or (781) 647-1234 (International).

Digi, Digi International, Connectware, RealPort and the Digi logo are trademarks or registered trademarks of Digi International Inc. in the United States and other countries. NetSilicon and NET+Works are trademarks of NetSilicon, Inc.

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FORWARD-LOOKING STATEMENTS

This press release contains statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which generally can be identified by the use of forward-looking terminology such as "anticipate," "believe," "target," "estimate," "may," "will," "expect," "plan," "project," "should," or "continue" or the negative thereof or other variations thereon or similar terminology. Such statements are based on information available to management as of the time of such statements and relate to, among other things, expectations of the business environment in which the companies operate, projections of future performance, perceived opportunities in the market and statements regarding the combined company's mission and vision, future financial and operating results, and benefits of the merger. Such statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, including risks related to the highly competitive market in which the companies operate, rapid changes in technologies that may displace products sold by the combined company, declining prices of networking products, the combined company's reliance on distributors, delays in product development efforts, uncertainty in consumer acceptance of the combined company's products, and changes in the companies' level of revenue or profitability. These forward-looking statements are neither promises nor guarantees, but are subject to risk and uncertainties that could cause actual results to differ materially from the expectations set forth in the forward-looking statements, including but not limited to uncertainties associated with economic conditions in the imaging marketplace, particularly in the principal industry sectors served by the combined company, changes in customer requirements and in the volume of sales to principal customers, the ability of the combined company to achieve the anticipated benefits and synergies associated with this transaction, the challenges and risks associated with managing and operating business in numerous international locales, competition and technological change, and the risks that the businesses will not be integrated successfully.

These and other risks, uncertainties and assumptions identified from time to time in Digi's and NetSilicon's filings with the Securities and Exchange Commission, including without limitation, their annual reports on Form 10-K and quarterly reports on Form 10-Q, could cause future results to differ materially from those expressed in any forward-looking statements. Many of such factors are beyond the companies' ability to control or predict. These forward-looking statements speak only as of the date for which they are made. The companies disclaim any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.