

-----  
-----  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

AMENDMENT NO. 1  
TO  
FORM S-3  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

DIGI INTERNATIONAL INC.  
(Exact name of the Registrant as specified in its charter)  
Delaware 41-1532464  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)  
11001 Bren Road East  
Minnetonka, Minnesota 55343  
(612) 912-3444  
(Address and telephone number of the Registrant's  
principal executive offices)

Jerry A. Dusa  
President and Chief Executive Officer  
11001 Bren Road East  
Minnetonka, Minnesota 55343  
(612) 912-3444  
(Name, address and telephone number of agent for service)

Copies to:  
James E. Nicholson  
Faegre & Benson LLP  
2200 Norwest Center  
90 South Seventh Street  
Minneapolis, Minnesota 55402

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:  
AS SOON AS PRACTICABLE AFTER THIS REGISTRATION STATEMENT BECOMES EFFECTIVE.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. / /

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. /X/

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / / \_\_\_\_\_

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / / \_\_\_\_\_

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. / /

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a),

MAY DETERMINE.

-----

-----

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

SUBJECT TO COMPLETION, DATED AUGUST 20, 1998

775,837 SHARES

DIGI INTERNATIONAL INC.

COMMON STOCK

This Prospectus relates to shares of Common Stock of Digi International Inc. (the "Company") which may be sold by the Selling Stockholders. See "Selling Stockholders." Such shares were issued to the Selling Stockholders in connection with the Company's acquisition of Central Data Corporation ("Central Data") and of ITK International, Inc. ("ITK International"). The Company will not receive any of the proceeds from the sale of shares by the Selling Stockholders.

The Common Stock of the Company is traded in the over-the-counter market and quoted on the Nasdaq Stock Market under the symbol "DGII." On August 19, 1998, the last sale price for the Common Stock, as reported by the Nasdaq Stock Market, was \$17.00 per share. See "Price Range of Common Stock and Dividend Policy."

The distribution of the shares of Common Stock offered hereby by the Selling Stockholders may be effected from time to time in one or more transactions (which may involve block transactions) on the Nasdaq Stock Market or otherwise, in the over-the-counter market, in negotiated transactions, through the writing of options on shares (whether such options are listed on an options exchange or otherwise), or a combination of such methods of sale, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The Selling Stockholders may effect such transactions by selling shares to or through broker-dealers, and such broker-dealers may receive compensation in the form of underwriting discounts, concessions or commissions from the Selling Stockholders and/or purchasers of shares for whom they may act as agent (which compensation may be in excess of customary commissions). See "Plan of Distribution."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

No person is authorized to give any information or to make any representations other than those contained or incorporated by reference in this Prospectus in connection with the offer made by this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation. The delivery of this Prospectus at any time shall not under any circumstances create an implication that there has been no change in the affairs of the Company since the date hereof.

THE DATE OF THIS PROSPECTUS IS \_\_\_\_\_, 1998

## AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Exchange Act and in accordance therewith files reports, proxy statements and other information with the Commission. Such reports, proxy statements and other information may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and at the Commission's regional offices at Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661, and 7 World Trade Center, Suite 1300, New York, New York 10048. Copies of such material may be obtained at prescribed rates from the public reference facilities of the Commission at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549. The Commission maintains a Web site that contains reports, proxy statements and other information filed by the Company at: <http://www.sec.gov>. In addition, such reports, proxy statements and other information can also be inspected at the offices of The Nasdaq Stock Market, 1735 K Street, N.W., Washington, D.C. 20006

Additional information regarding the Company and the shares offered hereby is contained in the Registration Statement, and exhibits thereto, filed with the Commission under the Securities Act of 1933, as amended (the "Securities Act"). For further information regarding the Company and the shares offered hereby reference is made to the Registration Statement, and exhibits thereto, which may be inspected without charge at the office of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, and copies thereof may be obtained from the Commission at prescribed rates.

## INCORPORATION OF DOCUMENTS BY REFERENCE

The following documents filed by the Company with the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are incorporated in and made a part of this Prospectus by reference:

(a) The Company's Annual Report on Form 10-K for the year ended September 30, 1997 (which incorporates by reference certain portions of the Company's 1997 Annual Report to Stockholders and definitive Notice and Proxy Statement for the Company's Annual Meeting of Stockholders held on January 28, 1998). (File No. 000-17972)

(b) The Company's definitive Notice and Proxy Statement for the Company's Annual Meeting of Stockholders held on January 28, 1998. (File No. 000-17972)

(c) The Company's Quarterly Reports on Form 10-Q for the quarters ended December 31, 1997, March 31, 1998 and June 30, 1998. (File No. 000-17972)

(d) The Company's Current Reports on Form 8-K filed on June 25, 1998, July 23, 1998 and August 12, 1998. (File No. 000-17972)

(e) The description of the Company's Common Stock which is contained in the Registration Statement on Form 8-A (Registration No. 000-17972) filed October 5, 1989 (and declared effective on October 13, 1989) under the Exchange Act, and all amendments and reports filed for the purpose of updating such description.

(f) The description of the Company's Purchase Rights which is contained in the Registration Statement on Form 8-A (Registration No. 000-17972) filed June 25, 1998 (and declared effective on June 30, 1998) under the Exchange Act.

All reports and any definitive proxy or information statements filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering of the shares offered hereby shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of filing of such documents.

Any statement contained in a document incorporated or deemed to be incorporated herein by reference shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein

or in any other subsequently filed document which also is or is deemed to be incorporated herein by reference modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will provide without charge to each person, including any beneficial owner, to whom a copy of this Prospectus is delivered, on the written or oral request of any such person, a copy of any or all of the documents incorporated herein by reference (other than exhibits not specifically incorporated in such documents). Requests for such copies should be directed to the Chief Financial Officer, Digi International Inc., 11001 Bren Road East, Minnetonka, Minnesota 55343 (telephone number (612) 912-3444).

#### THE COMPANY

Digi International Inc. (the "Company") is a leading ISO 9001-compliant provider of data communications hardware and software that delivers seamless connectivity solutions for multiuser environments, open systems, server-based remote access and LAN (Local Area Network) markets.

The Company's two major product areas include: 1) communications interface cards for multiuser and remote access environments, which constituted approximately 76% of net sales in fiscal 1997, and 2) "physical layer" and print server products that enhance the data communications capabilities of a LAN and which constituted 24% of net sales in fiscal 1997.

In July 1998, the Company acquired Central Data and ITK International, both of which were privately held. Central Data produces high-performance serial port solutions for local and remote access connectivity, including a full line of Universal Serial Bus products. ITK International is a leading provider of open systems, remote access solutions for small and medium sized businesses, Internet service providers and telephone companies. ITK International has also developed a Voice over Internet Protocol gateway product which will be deployed by businesses and service providers.

Neither of the Company's two major product areas is date sensitive and will not require adaptation to comply with Year 2000 requirements. In addition, all of the Company's computer systems are Year 2000 compliant. The Company intends to inquire of its suppliers and distributors as to the status of their Year 2000 compliance. The Company does not believe that Year 2000 issues will have a material impact on its operations.

The Company's executive offices are located at 11001 Bren Road East, Minnetonka, Minnesota, 55343, and its telephone number is (612) 912-3444.

PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

The Company's Common Stock has been traded in the over-the-counter market and quoted on the Nasdaq Stock Market under the symbol DGII since the Company's initial public offering on October 13, 1989. The following table sets forth, for the fiscal quarters indicated, the high and low sale prices for the Common Stock as reported by the Nasdaq Stock Market.

	HIGH	LOW
	----	---
FISCAL YEAR ENDED SEPTEMBER 30, 1996:		
First Quarter . . . . .	\$28.75	\$17.125
Second Quarter. . . . .	30.00	17.00
Third Quarter . . . . .	30.75	23.875
Fourth Quarter. . . . .	27.375	11.875
FISCAL YEAR ENDED SEPTEMBER 30, 1997:		
First Quarter . . . . .	\$18.75	\$8.625
Second Quarter. . . . .	10.50	6.750
Third Quarter . . . . .	11.75	5.125
Fourth Quarter. . . . .	16.00	9.875
FISCAL YEAR ENDED SEPTEMBER 30, 1998:		
First Quarter . . . . .	\$22.75	\$13.75
Second Quarter. . . . .	28.625	17.00
Third Quarter . . . . .	29.50	19.50
Fourth Quarter (through August 19, 1998). . .	25.25	15.25

On August 19, 1998, the last sale price for the Company's Common Stock as reported by the Nasdaq Stock Market was \$17.00 per share.

The Company has never declared or paid any cash dividends on its capital stock. The Company currently intends to retain any earnings for use in its business and therefore does not anticipate paying any cash dividends in the foreseeable future.

SELLING STOCKHOLDERS

The following table sets forth certain information regarding beneficial ownership of the Company's Common Stock as of July 29, 1998 and as adjusted to reflect the sale of shares offered by this Prospectus by each Selling Stockholder.

NAME -----	SHARES OWNED PRIOR TO OFFERING	SHARES OFFERED -----	SHARES OWNED AFTER OFFERING	
	NUMBER -----		NUMBER -----	PERCENT -----
Jeffrey James Roloff and Susan Elaine Roloff Trust(1) 3412 N. High Cross Rd. Urbana, IL 61801	138,048	138,048	0	*
James D. Norrod 16 Mountain Laurels Road Suite 301 Nashua, New Hampshire 03062	106,420	106,420	0	*
VEW Energie AG Attention: Dr. Jens Huffer Abteilung HRE Rheinlanddamm 24 Dortmund, Germany 44047	102,939	102,939	0	*
Prof. Dr. Klaus Rosentahl(2) c/o ITK Telekommunikation AG Joseph-von-Fraunhofer Str. 23 Dortmund, Germany 44227	69,231(3)	60,751	8,480(3)	*
Dr. Wolfgang Schroder(2) c/o ITK Telekommunikation AG Joseph-von-Fraunhofer Str. 23 Dortmund, Germany 44227	69,231(3)	60,751	8,480(3)	*
Prof. Dr. Firoz Kaderali Auf der Emat 137 Iserlohn, Germany 58638	60,751	60,751	0	*
Prof. Dr. Reinhard Rock Beethovenstr. 2 42781 Haan Germany	60,751	60,751	0	*
Prof. Dr. Horst Strunz Bergstr. 38 Rosrath, Germany 51503	60,751	60,751	0	*

NAME -----	SHARES OWNED PRIOR TO OFFERING	SHARES OFFERED -----	SHARES OWNED AFTER OFFERING	
	NUMBER -----		NUMBER -----	PERCENT -----
Cisco Systems, Inc. c/o Van Dang 255 West Tasmon Drive Building J San Jose, California 95134	54,747	54,747	0	*
Earl D. Jacobsen Revocable Trust(4) #3B Evergreen Circle Savoy, IL 61874	14,597	14,597	0	*
Elaine M. Jacobsen Revocable Trust #3B Evergreen Circle Savoy, IL 61874	14,597	14,597	0	*
J.F. Shea Company, Inc. 655 Brea Canyon Road Walnut, CA 91789-0489	12,701	12,701	0	*
GE Pension Trust 3003 Summer Street Stamford, CT 06905	8,692	8,692	0	*
Metropolitan Life Insurance Company 334 Madison Avenue Covent Station, NJ 07961-0633	2,542	2,542	0	*
Stephen B. Schwahn 1200 On the Mall, Apartment #207 Minneapolis, MN 55403	2,173	2,173	0	*
Robert G. Pagano 24 Swart Terrace Nashua, New Hampshire 03060	2,120	2,120	0	*
Gary A. Stoltz 4704 Wilford Way Edina, MN 55435	2,084	2,084	0	*
Sandra G. Stoltz 80 Morning Sun Drive Sedona, AZ 86336-5561	2,084	2,084	0	*
Gregory P. Sweenie 15 Ox Bow Lane Groton, Massachusetts 01450	1,802	1,802	0	*
Michael K. Ballard 93210 Fox Meadow Lane Potomac, Maryland 20854	1,590	1,590	0	*



NAME -----	SHARES OWNED PRIOR TO OFFERING	SHARES OFFERED -----	SHARES OWNED AFTER OFFERING	
	NUMBER -----		NUMBER -----	PERCENT -----
Jack K. Ahrens, II c/o Pathfinder Venture Capital Fund 7300 Metro Blvd., Suite 585 Minneapolis, MN 55439	1,010	1,010	0	*
Threshold Ventures, Inc. 7580 E. Gray Road, Suite 203 Scottsdale, AZ 85260-3408	1,800	1,800	0	*
Russell Davies 1, New Cottages Collingbourne Ducis Nr Marlborough, Wiltshire SN8 3DY	636	636	0	*
Norbert Szyperski In den Auen 6 Forsbach, Germany 51503	636	636	0	*
James Edelmann and Barbara Edelmann, JTWR0S 45 Oldfield Drive Sherborn, Massachusetts 01770	437	437	0	*
William J. Schnoor, Jr. 194 Eliot Street Chestnut Hill, Massachusetts 02467	424	424	0	*
Penny Newman Hill View, Star Lane, Knowl Hill Maidenhead, Berkshires RG10 9XY United Kingdom	318	318	0	*
Matthias Markert(5) Albringhauser Str. 201 Wetter, Germany 58300	268(6)	127	141(6)	*
Uwe Sauerbrey(5) Oberste Kamp 5 Dortmund, Germany 44369	248(7)	169	79(7)	*
Mark Armitage 36 St. Margarets Mead Marlborough, Wiltshire SN8 4BA United Kingdom	56	56	0	*

NAME -----	SHARES OWNED PRIOR TO OFFERING	SHARES OFFERED -----	SHARES OWNED AFTER OFFERING	
	NUMBER -----		NUMBER -----	PERCENT -----
Jan Elliger(5) Ortsmuhle 3 Dortmund, Germany 44227	53(8)	24	29(8)	*
Frank te Heesen(5) Mont-Cenis-Str. 109b Herne, Germany 44627	53(8)	24	29(8)	*
Martin Twickler(9) St. Wolfgans Platz 9f Munchen, Germany 81669	52(10)	44	8(10)	*
K.S. Kamal 11 Vandiemans Lane Littlemore, Oxford United Kingdom OX4 3QA	47	47	0	*
Heike Isringhaus(5) Wesselstr. 24 Castrop-Rauxel, Germany	26(11)	3	23(11)	*
Ralf Bonenkamp(5) In der Oeverscheidt 129 Dortmund, Germany 44149	20(12)	9	11(12)	*
Ulrich Findeisen(5) Ostenbergstr. 26 Dortmund, Germany 44225	20(12)	9	11(12)	*
Frank Langenbeck(5) Huestr. 151 Essen, Germany 45309	20(12)	9	11(12)	*
Klaus Peters(5) Sonnenplatz 6 Dortmund, Germany 44137	20(12)	9	11(12)	*
Petra Langjahr Hellerstr. 38 Dortmund, Germany 44229	3	3	0	*

- 1 Jeffrey James Roloff is an employee of the Company.
- 2 Director and employee of ITK International, a wholly-owned subsidiary of the Company.
- 3 Includes options to purchase 8,480 shares of the Company's Common Stock.
- 4 Earl D. Jacobsen is an employee of the Company.

- 5 Employee of ITK International, a wholly-owned subsidiary of the Company.
- 6 Includes options to purchase 141 shares of the Company's Common Stock.
- 7 Includes options to purchase 79 shares of the Company's Common Stock.
- 8 Includes options to purchase 29 shares of the Company's Common Stock.
- 9 Advisor to ITK International, a wholly-owned subsidiary of the Company.
- 10 Includes options to purchase 8 shares of the Company's Common Stock.
- 11 Includes options to purchase 23 shares of the Company's Common Stock.
- 12 Includes options to purchase 11 shares of the Company's Common Stock.
- \* Represents beneficial ownership of less than one percent of the Company's outstanding Common Stock.

#### PLAN OF DISTRIBUTION

The distribution of the shares of Common Stock offered hereby by the Selling Stockholders may be effected from time to time in one or more transactions (which may involve block transactions) on the Nasdaq Stock Market or otherwise, in the over-the-counter market, in negotiated transactions, through the writing of options on shares (whether such options are listed on an options exchange or otherwise), or a combination of such methods of sale, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The Selling Stockholders may effect such transactions by selling shares to or through broker-dealers, and such broker-dealers may receive compensation in the form of underwriting discounts, concessions or commissions from the Selling Stockholders and/or purchasers of shares for whom they may act as agent (which compensation may be in excess of customary commissions). The Selling Stockholders and broker-dealers that participate with the Selling Stockholders in the distribution of shares may be deemed to be "underwriters" within the meaning of Section 2(11) of the Securities Act, and any commissions received by them and any profit on the resale of shares may be deemed to be underwriting compensation.

#### EXPERTS

The consolidated financial statements and financial statement schedule of the Company as of September 30, 1997 and 1996, and for each of the three years in the period ended September 30, 1997, included or incorporated by reference in the Company's Annual Report on Form 10-K, have been audited by PricewaterhouseCoopers LLP (on July 1, 1998, Coopers & Lybrand L.L.P. merged with Price Waterhouse LLP to form PricewaterhouseCoopers LLP), independent accountants, as set forth in their reports accompanying such financial statements which, to the extent therein, are based on the report of other auditors, are incorporated herein by reference in reliance upon the report of such firm, which report is given upon their authority as experts in accounting and auditing. The financial statements of AetherWorks Corporation for the years ended September 30, 1997 and 1996, and the period from February 24, 1993 (inception) to September 30, 1997, included or incorporated by reference in the Company's Annual Report on Form 10-K, have been audited by Ernst & Young LLP, as set forth in their report accompanying such financial statements, and are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

To the extent PricewaterhouseCoopers LLP examines and reports on the financial statements and financial statements schedules of the Company at future dates, and consents to the use of their report thereon, such financial statements and schedules hereafter incorporated by reference in the registration statement of which this prospectus is a part will be so incorporated by reference in reliance upon such reports and upon the authority of such firms as experts in accounting and auditing.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

Expenses in connection with the issuance and distribution of the shares of Common Stock being registered hereunder other than underwriting commissions and expenses, are estimated below.

SEC registration fee . . . . .	\$ 3,720
Nasdaq Stock Market listing fee . . . . .	2,350
Legal fees and expenses . . . . .	10,000
Accounting fees and expenses . . . . .	10,000
Printing expenses . . . . .	500
Transfer agent fees and expenses . . . . .	1,000
Miscellaneous . . . . .	430
	-----
Total	\$28,000
	-----
	-----

Except for the SEC registration fee, all of the foregoing expenses have been estimated. The Selling Stockholders will bear fees and disbursements of their own legal counsel and transfer taxes. The Company will bear all other expenses.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Under Delaware law, a corporation may indemnify any person who was or is a party or is threatened to be made a party to an action (other than an action by or in the right of the corporation) by reason of his services as a director or officer of the corporation, or his service, at the corporation's request, as a director, officer, employee or agent of another corporation or other enterprise, against expenses (including attorneys' fees) that are actually and reasonably incurred by him ("Expenses"), and judgments, fines and amounts paid in settlement that are actually and reasonably incurred by him, in connection with the defense or settlement of such action, provided that he acted in good faith and in a manner he reasonably believed to be in or not opposed to the corporation's best interests, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his conduct was unlawful. Although Delaware law permits a corporation to indemnify any person referred to above against expenses defense or settlement of an action by or in the right of the corporation, provided that he acted in good faith and in a manner he reasonably believed to be in or not opposed to the corporation's best interests, if such person has been judged liable to the corporation, indemnification is only permitted to the extent that the Court of Chancery (or the court in which the action was brought) determines that, despite the adjudication of liability, such person is entitled to indemnify for such Expenses as the court deems proper. The General Corporation Law of the State of Delaware also provides for mandatory indemnification of any director, officer, employee or agent against Expenses to the extent such person has been successful in any proceeding covered by the statute. In addition, the General Corporation Law of the State of Delaware provides the general authorization of advancement of a director's or officer's litigation expenses in lieu of requiring the authorization of such advancement by the board of directors in specific cases, and that indemnification and advancement of expenses provided by the statute shall not be deemed exclusive of any other rights to which those seeking indemnification of expenses may be entitled under any bylaw, agreement or otherwise.

Article V of the By-Laws of the Registrant provide for the broad indemnification of the directors and officers of the Registrant and for advancement of litigation expenses to the fullest extent required or permitted by current Delaware law.

The Registrant maintains a policy of directors and officers liability insurance that reimburses the Registrant for expenses that it may incur in conjunction with the foregoing indemnity provisions and that may provide direct indemnification to officers and directors where Registrant is unable to do so.

The Certificate of Incorporation of the Registrant eliminates the personal liability of a director to the Registrant or its stockholders for monetary damages for breach of fiduciary duty as a director, except under certain



circumstances involving certain wrongful acts such as breach of a director's duty of loyalty, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, for any unlawful acts under Section 174 of the General Corporation Law of the State of Delaware, or for any transaction from which a director derives an improper personal benefit.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) EXHIBITS

Exhibit -----	Description -----
3.1	Restated Certificate of Incorporation of the Company, as amended (incorporated by reference to Exhibit 3(a) to the Company's Form 10-K for the year ended September 30, 1992 (File No. 000-17972)).
3.2	Amended and Restated By-Laws of the Company (incorporated by reference to Exhibit 3(b) to the Company's Registration Statement on Form S-1 (File No. 33-42384)).
5	Opinion and Consent of Faegre & Benson LLP.
15	Unaudited Interim Financial Information Letter.
23.1	Consent of PricewaterhouseCoopers LLP.
23.2	Consent of Ernst & Young LLP.
23.3	Consent of Faegre & Benson LLP (included in Exhibit No. 5 to the Registration Statement).
24	Powers of Attorney (previously filed).

ITEM 17. UNDERTAKINGS

The undersigned Registrant hereby undertakes:

(1) to file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

(2) that, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;

(3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering;

(4) that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.



Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, and controlling persons of the Registrant pursuant to the provisions summarized in Item 15 above, or otherwise, the Registrant has been advised that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act, and will be governed by the final adjudication of such issue.



SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Minnetonka, State of Minnesota, on August 20, 1998.

DIGI INTERNATIONAL INC.

By /s/ Jerry A. Dusa

-----  
Jerry A. Dusa  
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to Registration Statement has been signed by the following persons in the capacities indicated on August 20, 1998.

Signature	Title
-----	-----
/s/ Jerry A. Dusa ----- Jerry A. Dusa	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ Jonathon E. Killmer ----- Jonathon E. Killmer	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)
John P. Schinas*	Chairman of the Board and Director
Willis K. Drake*	Director
Richard E. Eichhorn*	Director
Robert Moe*	Director
Mykola Moroz*	Director
David Stanley*	Director

\*Jerry A. Dusa, by signing his name hereto, does hereby sign this document on behalf of each of the above named directors of the Registrant pursuant to powers of attorney duly executed by such.

By /s/ Jerry A. Dusa

-----  
Jerry A. Dusa, Attorney in Fact

EXHIBIT INDEX

Exhibit -----	Description -----	Page -----
3.1	Restated Certificate of Incorporation of the Company, as amended.	Incorporated by Reference
3.2	Amended and Restated By-Laws of the Company.	Incorporated by Reference
5	Opinion and Consent of Faegre & Benson LLP.	Filed Electronically
15	Unaudited Interim Financial Information Letter.	Filed Electronically
23.1	Consent of PricewaterhouseCoopers LLP.	Filed Electronically
23.2	Consent of Ernst & Young LLP.	Filed Electronically
23.3	Consent of Faegre & Benson LLP (included in Exhibit No. 5 to the Registration Statement).	Filed Electronically
24	Powers of Attorney.	Previously Filed

[FAEGRE & BENSON LETTERHEAD]

August 20, 1998

Digi International Inc.  
11001 Bren Road East  
Minnetonka, Minnesota 55343

Gentlemen:

In connection with the proposed registration under the Securities Act of 1933, as amended, of 775,837 shares of Common Stock, par value \$.01 per share, of Digi International Inc., a Delaware corporation (the "Company"), proposed to be sold by Selling Stockholders of the Company, we have examined such corporate records and other documents, including the Registration Statement on Form S-3, dated the date hereof, relating to such shares (the "Registration Statement"), and have reviewed such matters of law as we have deemed necessary for this opinion, and we advise you that in our opinion:

1. The Company is a corporation duly organized and existing under the laws of the State of Delaware.

2. The shares of Common Stock proposed to be sold by the Selling Stockholders named in the Registration Statement are, and when sold as contemplated in the Registration Statement will be, legally and validly issued and fully paid and non-assessable.

We consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm wherever appearing therein.

Very truly yours,

FAEGRE & BENSON LLP

## UNAUDITED INTERIM FINANCIAL INFORMATION LETTER

We are aware that our reports dated July 20, 1998, April 23, 1998 and January 29, 1998, on our reviews of the interim condensed consolidated financial information of Digi International, Inc. and Subsidiaries (the "Company") for the three and nine-month periods ended June 30, 1998 and 1997, for the three and six-month periods ended March 31, 1998 and 1997, and the three-month periods ended December 31, 1997 and 1996, respectively, included in the Company's respective Form 10-Qs for the quarters ended June 30, 1998, March 31, 1998 and December 31, 1997, are incorporated by reference in this registration statement on Form S-3. Pursuant to Rule 436(c), under the Securities Act of 1933, these reports should not be considered a part of the registration statement prepared or certified by us within the meaning of Sections 7 and 11 of that Act.

Minneapolis, Minnesota  
August 18, 1998

/s/ PricewaterhouseCoopers LLP

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in this Registration Statement of Digi International Inc. on Form S-3 of our reports dated December 15, 1997, on our audits of the consolidated financial statements and financial statement schedule of Digi International Inc. and Subsidiaries as of September 30, 1997 and 1996, and for each of the three years in the period ended September 30, 1997, which reports are included or incorporated by reference in the Annual Report of Digi International Inc. on Form 10-K for the year ended September 30, 1997. We also consent to the reference to our firm under the caption "Experts."

PricewaterhouseCoopers LLP

Minneapolis, Minnesota  
August 18, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-3) and related Prospectus of Digi International Inc. for the registration of 775,837 shares of its common stock and to the incorporation by reference therein of our report dated October 28, 1997, with respect to the financial statements of AetherWorks Corporation for the years ended September 30, 1997 and 1996, and the period from February 24, 1993 (inception) to September 30, 1997 included in the Annual Report (Form 10-K) of Digi International Inc. for the year ended September 30, 1997 filed with the Securities and Exchange Commission.

ERNST & YOUNG LLP

Minneapolis, Minnesota  
August 19, 1998