



Filed by Digi International Inc.
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and deemed filed pursuant to Rule 14a-12 of
the Securities Exchange Act of 1934, as amended.

Subject Company: NetSilicon, Inc.
Commission File No.: 0-26761



*A Powerful Combination for Growth in
Device Connectivity*

Joe Dunsmore, Chairman President and CEO
Kris Krishnan, Senior VP and CFO



Safe Harbor Statement



During our discussion, we will make forward-looking statements concerning future results, performance, expectations, or intentions. Actual results, performance, or developments could differ materially from those expressed or implied by these forward-looking statements as a result of known and unknown risks, uncertainties, and other factors including those identified in the Company's Form 10-K and other periodic filings with the Securities and Exchange Commission.



Digi 2001 Highlights

Sales	\$124.1 million
Adjusted net income*	\$4.961 million
Cash flow (EBTDA)	\$11.4 million

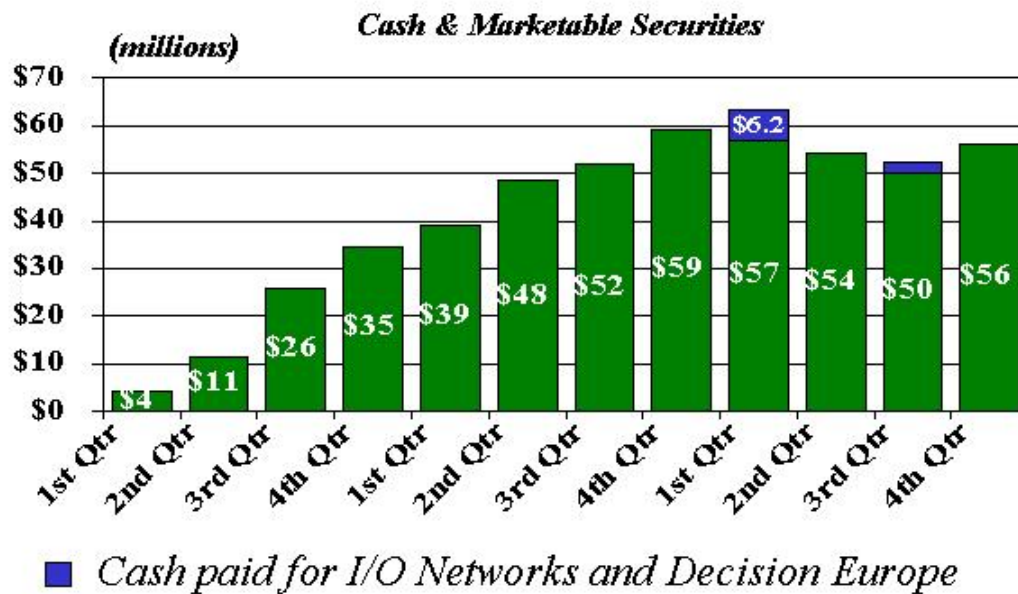
2 Acquisitions	I/O Networks & Decision Europe
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MiLAN Recovery	67% Growth
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** Net income excluding amortization of intangible assets acquired in business combinations, restructuring and asset impairment charges, net of taxes and related deferred tax benefits.*



Digi's Strong Balance Sheet



Current Ratio is 5.2 to 1



Positioning Digi for High Growth



Phase I

Clean-up

- Reorganize Europe
- Clean up MiLAN
- Stop RAS investment
- Retool senior management, sales and engineering positions
- Stabilize business

Phase II

Positioning Digi for Growth

- Acquire Inside Out Networks - USB
- Acquire Decision Europe & Launch Digi One
- Create Connectware category – hardware and software solutions

Phase III

Driving High-Growth Businesses

- Acquire NetSilicon
- Acquire additional niche high growth opportunity businesses
- Develop products using acquired technology



Digi/NetSilicon Overview

NASDAQ Ticker:	DGII	NSIL
Headquarters:	Minnetonka, MN	Waltham, MA
Employees:	423	120
Offices:	CA, TX, IL Germany, Hong Kong China	Germany, Japan Korea
Distribution:	2-tier	OEM
Market:	Share leader (50%+) in Serial & USB connectivity	Leading provider Ethernet micro- processing solutions
Differentiators:	Quality/reliability Technical support	Fastest time-to-market Lowest cost of ownership



Digi/NetSilicon Investment Highlights

- High growth markets focus
 - \$50M in FY02 to \$150M expected by FY04 (73% annually)
 - Market leadership position
 - Strong balance sheet and cash position
 - Solid mature products base to fuel growth
 - “1+1=4” Proposition
 - Complementary
 - Strategic synergies
 - Unique valuation growth opportunity
-



Digi/NetSilicon Combination Capitalizes on Industry Trends

- Migration of serial devices from direct connect to Ethernet still growing
 - Migration from async serial port expansion to USB to serial connectivity in some key verticals
 - Wireless connectivity providing flexibility and mobility emerging requirement in key verticals
 - Retail POS, Factory Automation, Hospitality
 - Rapid adoption for networked devices (embedded Ethernet)
 - Factory and building control systems, retail POS,
 - Equipment monitoring & control, home automation, etc.
 - Technology enablers include powered Ethernet, low cost, and smaller size form factors
 - Networking engineers are scarce... and getting more scarce
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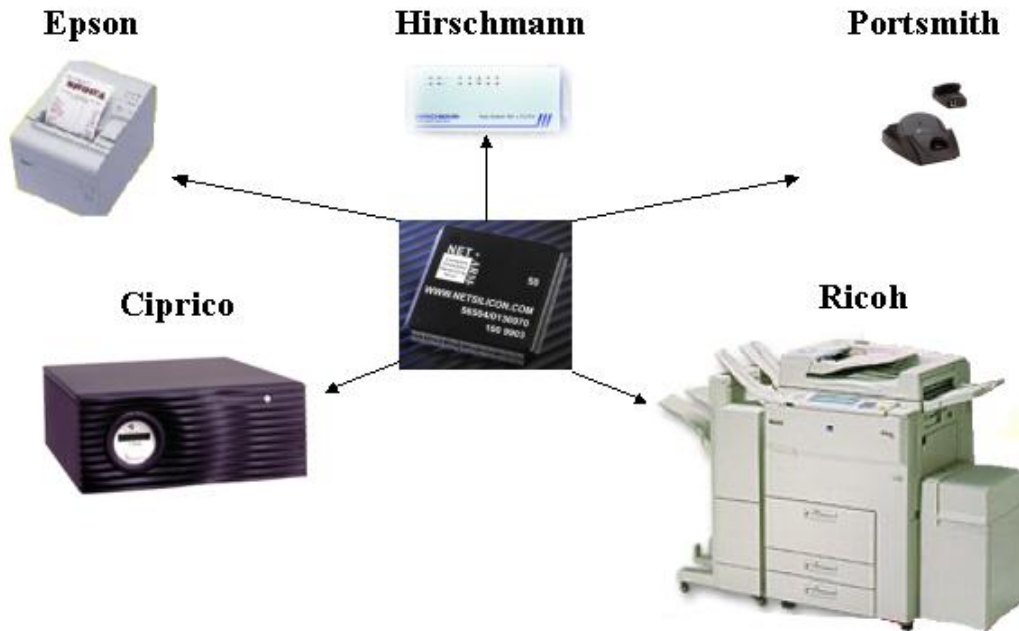


Digi Product Samples







NetSilicon-Current Customer's Device Samples





Digi/NetSilicon: Long-Term Connectware Product Leadership

Platforms / Products	Digi Position
System on Software	 NetSilicon #1
USB	 #1
Terminal Server	#1 or #2
Device Server	<i>Entered Q401</i>
802.11 to Serial/USB	<i>Entered Q301</i>
Async Multi-Port Serial I/O	#1

Green = Growth

Blue = Mature

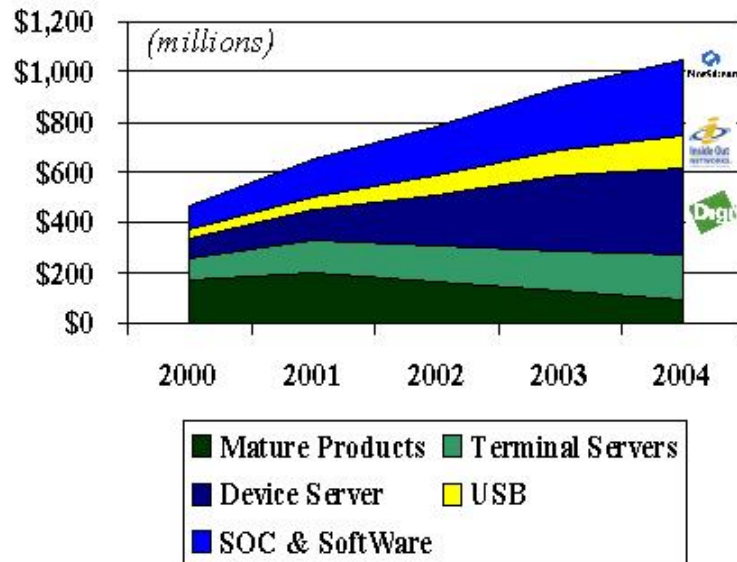


Trends Drive a Growth Market for Connectware

Addressable Market

Digi/NetSilicon
Market Share

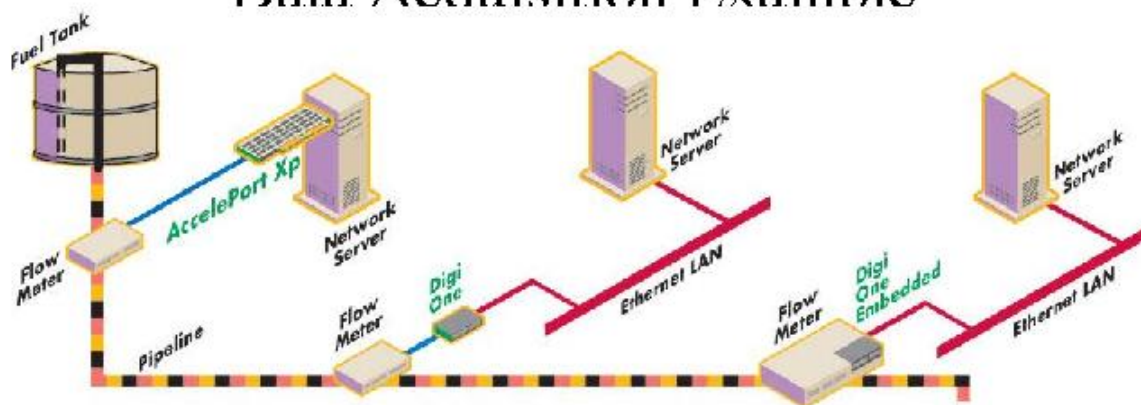
- *2001 approx 15%*
- *2004 approx 20% (est.)*



Source : Digi estimates based on Gartner Group, May 2000, Competitive 10Q's, PCData, and competitive intelligence



Data Acquisition Example



Serial Card - Digi

- Serial cables must be run from server to each device.
- Network intelligence (TCP/IP protocol software) resides in server.

Digi One - Xcell

- Device attached to existing Ethernet via Digi One™.
- Network intelligence (TCP/IP) resides in Digi One device server.
- Easy to connect and manage new devices.

Embedded - NetSilicon

- Device attached directly to existing Ethernet, via Net+Works embedded module.
- Network intelligence (TCP/IP) resides in device.
- Inexpensive value-add to devices.

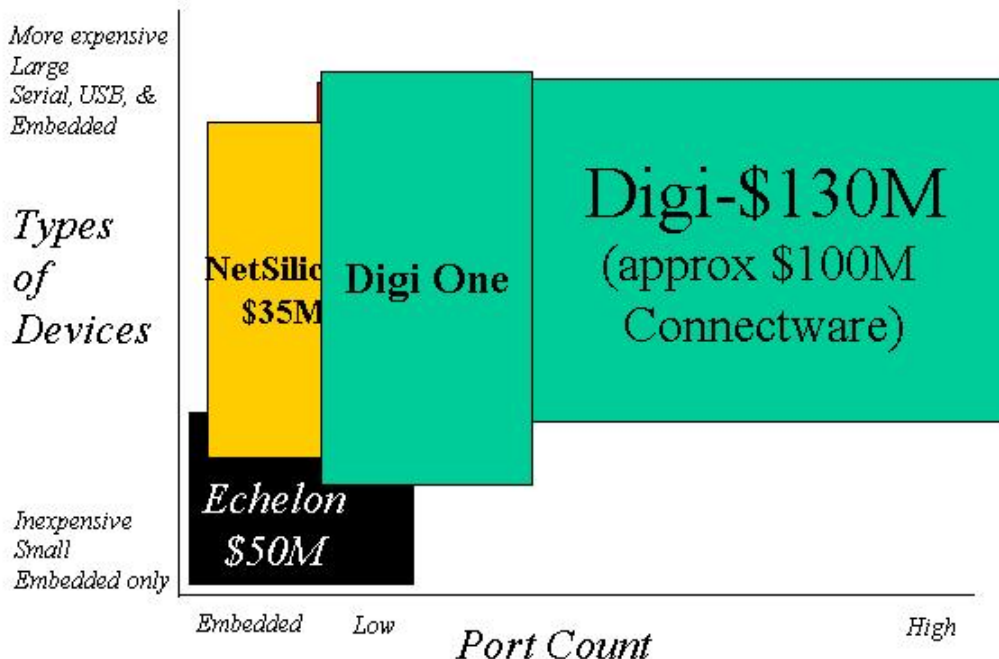


Digi/NetSilicon Strategy

- Develop key vertical markets
- Grow technology lead in value-added integration
- Increase new Connectware product flow rate to end customers and OEMs
- Leverage mature products to maximize cash flow
- Make strategic niche acquisitions and sign strategic partnerships



Device Connectivity Competitive Positioning





Digi/NetSilicon: Differentiating from the Competition

- Full Connectware product scope
 - None have SOC
 - None have integrated offerings
 - Full Distribution channel coverage
 - Others are in only one channel
 - Brand loyalty in channels
 - More than double sales volume and number of dedicated engineers than our key competitors
 - Strong position in early-adopter SOC customers
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Digi/NetSilicon: Experienced Senior Management

In addition to the senior executives listed below, Digi leverages its strong team of executive managers with deep industry experience.

Senior Manager	Title	Years Experience	Start Date
Joe Dunsmore	Chairman, President & CEO	20	1999
Pete Peterson	Senior VP Business Development	40	1984
Bill Peisel	Chief Technology Officer	30	1987
Kris Krishnan	Senior VP, CFO	23	1999
Bruce Berger	VP NetSilicon	18	2000
Joel Young	VP R&D	15	2000
+15 other top caliber executives			

Blue = NetSilicon management



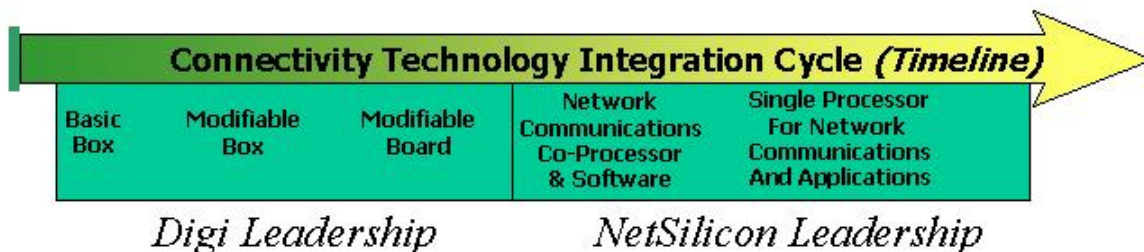
Digi/NetSilicon:

Serving Industry Leaders Worldwide





Digi/NetSilicon Vision



Digi/NetSilicon Will Meet Customers' Needs through the Entire Connectivity Technology Integration Cycle



Acquisition Agreement

- Shares of NetSilicon will be exchanged for .65 shares of Digi stock
 - Digi to pay a maximum of \$15 million in cash, if cash is oversubscribed, cash will be distributed on a pro-rata basis
 - NetSilicon shareholders choose either cash, stock or a combination of cash and stock
 - Sorrento networks has indicated their approval of the transaction and their desire to receive the maximum amount of cash
 - Transaction subject to shareholder approval by both companies
 - Transaction expected to close by the end of the second fiscal quarter
 - Sorrento restricted in their ability to sell shares after closing of transaction
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Financial Review



Digi Financial Highlights

<i>(in millions)</i>	<u>FY01</u>	<u>FY00</u>
Sales	\$124.1	\$132.5
Net income (loss)	(\$1.8)	(\$16.8)
Restructuring, Amortization & Asset write-down	\$6.7	\$20.4
Adjusted net income*	\$4.9	\$3.6
Cash flow (EBTDA)	\$11.4	\$10.4
EPS*	\$0.32	\$0.23
EBTDA per Share	\$0.75	\$0.68

** Net income excluding amortization of intangible assets acquired in business combinations, restructuring and asset impairment charges, net of taxes and related deferred tax benefits.*





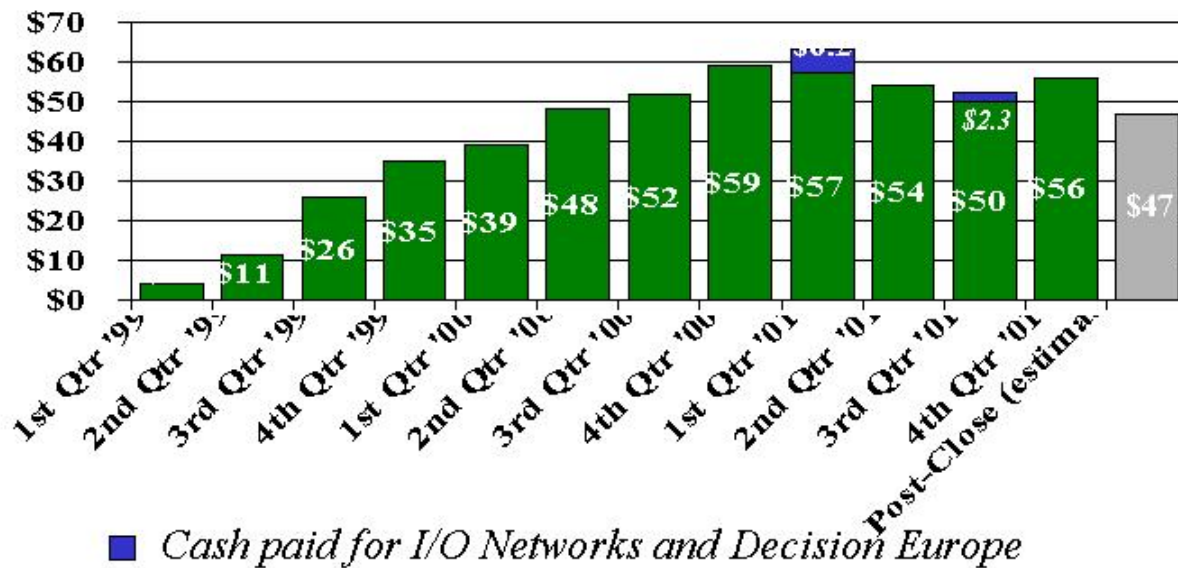
Key Digi & NetSilicon Financial Statistics

<i>(Millions)</i>	<i>DIGI Q401</i> <i>As of 9/30/01</i>	<i>NSIL Q201</i> <i>As of 7/28/01</i>
Cash	\$56.2	\$11.3
A/R <i>(Net)</i>	\$16.2	\$3.8
Inventory <i>(Net)</i>	\$16.8	\$5.1
DSOs	56	52
Inventory Turns	3.3	2.4



Strong Cash Position

Digi Cash & Marketable Securities (millions)

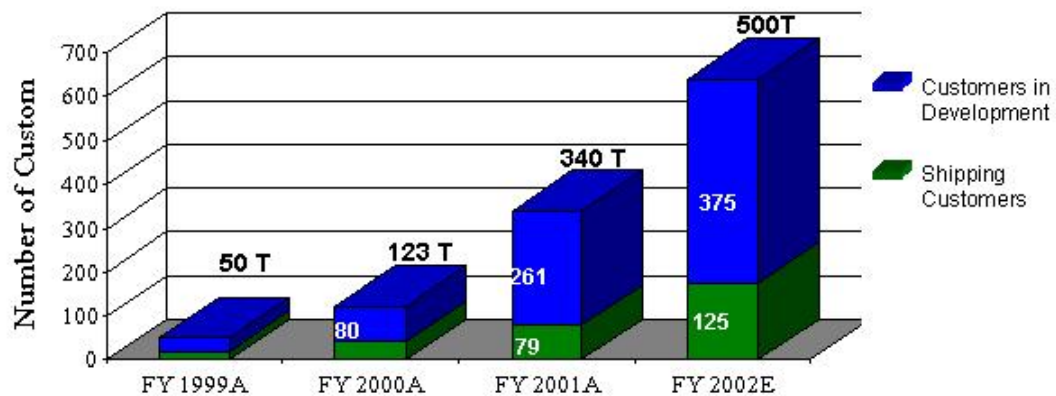


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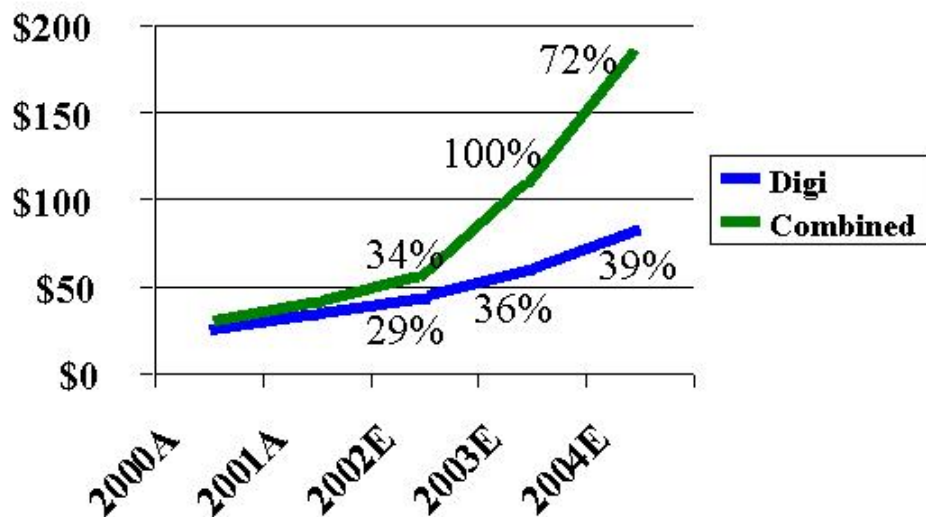
NetSilicon Customers in Development Drive Long-term Revenue Ramp

- Ramp from design to shipping = 1 to 2 years
- Ramp from shipping to volume purchases = additional 1 to 3 years
- Example: 50 development customers in 1999 *only begin* contributing to revenue from 2001 to 2004





Growth Markets Forecast Year over Year Growth



*Estimated



Competitor Valuation Comps *based on 90 days (6/13-10/24)*

	<i>Market Cap Average</i>	<i>Enterprise Value</i>	<i>Enterprise Value/ LTM Sales</i>
Digi	\$123.6M	\$81.7M	.6X
NetSilicon	\$48.5M	\$37.2M	1.1X
Lantronix	\$402.2M	\$386.8M	7X
Echelon	\$818.1M	\$696.6M	13.5X



Digi & NetSilicon Synergies

Cost Savings

- Operational
- Administrative
- COGS cost reductions

Revenue Enhancements

- Leveraging NetSilicon's OEM channel with Digi's board (& possibly box) products
 - Adding product differentiation by integrating NetSilicon SOC into Digi device servers
 - Cross-selling Digi's OEM and direct customers with NetSilicon's SOC solutions (e.g. NCR, Optimal Robotics, Symbol)
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