

SCO Files Slander of Title Lawsuit Against Novell

The SCO Group, Inc. (NASDAQ: SCOX), the owner of the UNIX operating system and a leading provider of UNIX-based solutions, has filed suit against Novell for its alleged bad faith effort to interfere with SCOs rights with respect to UNIX and UnixWare. Among the allegations in the suit:

Novell has improperly filed copyright registrations in the United States Copyright Office for UNIX technology covered by SCOs copyrights.

Novell has made false and misleading public claims that it and not SCO, owns the UNIX and UnixWare copyrights.

Novell has made false statements with the intent to cause customers and potential customers to not do business with SCO.

Novell has attempted, in bad faith, to block SCOs ability to enforce its copyrights.

Novells false and misleading representations that it owns the UNIX and UnixWare copyrights has caused SCO irreparable harm to its copyrights, its business and its reputation.

The lawsuit, filed in Utah State court, in Salt Lake City, requests preliminary and permanent injunctive relief as well as damages. The injunction would require Novell to assign to SCO all copyrights that Novell has wrongfully registered, prevent Novell from representing any ownership interest in those copyrights and require Novell to retract or withdraw all representations it has made regarding its purported ownership of those copyrights.

SCO takes this action today given Novells recent and repeated announcements regarding their claimed ownership of the UNIX and UnixWare copyrights. SCO has received many questions about Novells actions from potential customers, investors and the press. Although SCO owns the UNIX and UnixWare copyrights, Novells efforts to claim ownership of these copyrights has forced this action, said Mark Heise, partner, Boies, Schiller and Flexner, LLP. We encourage the public and commercial Linux users to read the Asset Purchase Agreement from 1995 (including Attachment E found at www.sco.com/novell) and Amendment 2 so they can see for themselves that SCO owns the copyrights to UNIX and UnixWare.

The lawsuit seeks damages in an amount to be proven at trial for Novells alleged slander of SCOs title to the UNIX and UnixWare copyrights. In addition, the lawsuit seeks punitive damages in an amount to be proven at trial for Novells malicious and willful conduct.

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Forward-Looking Statements

This press release contains forward-looking statements regarding SCOs lawsuit against Novell. These forward-looking statements relate to SCOs allegations against Novell and the relief sought by SCO. These forward-looking statements are subject to risks and uncertainties including, without limitation, the risk that SCO may not be successful in its claims against Novell and that the pursuit of protections for SCOs copyrights will require the expenditure of resources and may result in further litigation. These forward-looking statements are also subject to the risks and uncertainties set forth in SCOs filings with the Securities and Exchange Commission.

About SCO

The SCO Group (NASDAQ: SCOX) helps millions of customers in more than 82 countries to grow their businesses everyday. Headquartered in Lindon, Utah, SCO has a worldwide network of more than 11,000 resellers and 4,000 developers. SCO Global Services provides reliable localised support and services to partners and customers. For more information on SCO products and services, visit <http://www.sco.com>.

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