

Novell, Inc.
Consolidated Unaudited Condensed Statements of Income
(In thousands, except per share data)

	Fiscal Quarter Ended		Year-to-Date	
	Apr 30, 2003	Apr 30, 2002	Apr 30, 2003	Apr 30, 2002
Net revenue				
New software licenses	\$ 64,465	\$ 70,448	\$ 125,503	\$ 142,086
Maintenance and services	211,502	203,405	410,435	409,626
Total net revenue	275,967	273,853	535,938	551,712
Cost of revenue				
New software licenses	5,962	6,981	11,184	13,613
Maintenance and services	102,809	105,847	195,151	216,784
Total cost of revenue	108,771	112,828	206,335	230,397
Gross profit	167,196	161,025	329,603	321,315
Operating expenses				
Sales and marketing	101,737	82,145	200,042	167,621
Product development	48,354	42,385	91,276	85,398
General and administrative	30,939	31,055	58,284	61,380
Restructuring	8,675	19,100	8,675	19,100
Total operating expenses	189,705	174,685	358,277	333,499
Income (loss) from operations	(22,509)	(13,660)	(28,674)	(12,184)
Other income (expense), net	(12,475)	(18,382)	(18,664)	(7,928)
Income (loss) before taxes	(34,984)	(32,042)	(47,338)	(20,112)
Income tax expense (benefit)	(6,372)	(2,293)	(6,838)	1,286
Income (loss) before accounting change	(28,612)	(29,749)	(40,500)	(21,398)
Cumulative effect of accounting change	-	(143,702)	-	(143,702)
NET INCOME (LOSS)	\$ (28,612)	\$ (173,451)	\$ (40,500)	\$ (165,100)
Net income (loss) per share:				
Basic	\$ (0.08)	\$ (0.48)	\$ (0.11)	\$ (0.46)
Diluted	\$ (0.08)	\$ (0.48)	\$ (0.11)	\$ (0.46)
Weighted average shares:				
Basic	368,746	362,754	368,411	362,591
Diluted	368,746	362,754	368,411	362,591

Certain reclassifications, none of which affect net income, have been made to the prior period amounts in order to conform to the current year's presentation.

Novell, Inc.
Non-GAAP Adjusted Earnings Information
(In thousands, except per share data)

	<u>GAAP</u> <u>As Reported</u>	<u>Adjustments</u>	<u>Non-GAAP</u> <u>Adjusted</u>
<u>Fiscal quarter ended April 30, 2003</u>			
Net revenue	\$ 275,967	\$ -	\$ 275,967
Gross profit	167,196	-	167,196
Income (loss) from operations	(22,509)	10,792 (a)	(11,717)
Income (loss) before taxes	(34,984)	25,265 (b)	(9,719)
Net income (loss)	(28,612)	21,809 (c)	(6,803)
Diluted net income (loss) per share	\$ (0.08)	\$ 0.06 (c)	\$ (0.02)
<u>Fiscal quarter ended January 31, 2003</u>			
Net revenue	\$ 259,971	\$ -	\$ 259,971
Gross profit	162,407	-	162,407
Income (loss) from operations	(6,165)	255 (d)	(5,910)
Income (loss) before taxes	(12,354)	11,055 (e)	(1,299)
Net income (loss)	(11,888)	10,979 (f)	(909)
Diluted net income (loss) per share	\$ (0.03)	\$ 0.03 (f)	\$ (0.00)
<u>Fiscal quarter ended April 30, 2002</u>			
Net revenue	\$ 273,853	\$ -	\$ 273,853
Gross profit	161,025	-	161,025
Income (loss) from operations	(13,660)	20,065 (g)	6,405
Income (loss) before taxes	(32,042)	46,050 (h)	14,008
Net income (loss)	(173,451)	183,257 (i)	9,806
Diluted net income (loss) per share	\$ (0.48)	\$ 0.51 (i)	\$ 0.03

Footnotes related to adjustments:

- (a) Reflects adjustments to prior restructuring reserves of \$8.7 million and merger reserves of \$2.1 million.
- (b) Reflects investment write downs of \$13.7 million and a loss from the acquisition of minority interest shares of \$0.8 million, in addition to the items in footnote (a).
- (c) Reflects the items in footnotes (a) and (b), and the necessary related tax adjustments.
- (d) Reflects integration charges.
- (e) Reflects investment write downs of \$10.8 million, in addition to the item in footnote (d).
- (f) Reflects the items in footnotes (d) and (e), and the necessary related tax adjustments.
- (g) Reflects restructuring charges of \$19.1 million and integration charges of \$1 million.
- (h) Reflects investment write downs of \$24.4 million, a loss on the sale of four subsidiaries of \$1.6 million, and the items in footnote (g).
- (i) Reflects cumulative effect of an accounting change related to goodwill impairment of \$143.7 million, the items in footnotes (g) and (h), and the necessary related tax adjustments.

Novell, Inc.
Consolidated Unaudited Condensed Balance Sheets
(In thousands)

ASSETS	<u>Apr 30, 2003</u>	<u>Oct 31, 2002</u>
Current assets		
Cash and short-term investments	\$ 626,397	\$ 635,858
Receivables, net	183,672	214,827
Prepaid expenses	32,293	24,077
Deferred income taxes	19,420	21,204
Other current assets	<u>25,166</u>	<u>23,572</u>
Total current assets	886,948	919,538
Property, plant and equipment, net	353,183	369,189
Goodwill	180,579	179,534
Intangible assets	30,092	36,351
Long-term investments	55,603	73,452
Deferred income taxes	83,791	74,323
Other assets	<u>12,385</u>	<u>12,678</u>
Total assets	<u><u>\$ 1,602,581</u></u>	<u><u>\$ 1,665,065</u></u>
 LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 61,007	\$ 57,241
Accrued compensation	78,498	87,778
Other accrued liabilities	124,338	134,850
Income taxes payable	28,764	36,294
Deferred revenue	<u>267,546</u>	<u>275,344</u>
Total current liabilities	560,153	591,507
Minority interests	7,841	8,016
Stockholders' equity	<u>1,034,587</u>	<u>1,065,542</u>
Total liabilities and stockholders' equity	<u><u>\$ 1,602,581</u></u>	<u><u>\$ 1,665,065</u></u>

Novell, Inc.
Consolidated Unaudited Condensed Statements of Income
(In thousands, except per share data)

	<u>Q2 2003</u>	<u>%</u>	<u>Q2 2002</u>	<u>%</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Net revenue						
New software licenses	\$ 64,465	23.4	\$ 70,448	25.7	\$ (5,983)	(8.5)
Maintenance and services	211,502	76.6	203,405	74.3	8,097	4.0
Total net revenue	<u>275,967</u>	<u>100.0</u>	<u>273,853</u>	<u>100.0</u>	<u>2,114</u>	<u>0.8</u>
Cost of revenue						
New software licenses	5,962	2.2	6,981	2.5	(1,019)	(14.6)
Maintenance and services	102,809	37.3	105,847	38.7	(3,038)	(2.9)
Total cost of revenue	<u>108,771</u>	<u>39.4</u>	<u>112,828</u>	<u>41.2</u>	<u>(4,057)</u>	<u>(3.6)</u>
Gross profit	<u>167,196</u>	<u>60.6</u>	<u>161,025</u>	<u>58.8</u>	<u>6,171</u>	<u>3.8</u>
Operating expenses						
Sales and marketing	101,737	36.9	82,145	30.0	19,592	23.9
Product development	48,354	17.5	42,385	15.5	5,969	14.1
General and administrative	30,939	11.2	31,055	11.3	(116)	(0.4)
Restructuring	8,675	3.1	19,100	7.0	(10,425)	(54.6)
Total operating expenses	<u>189,705</u>	<u>68.7</u>	<u>174,685</u>	<u>63.8</u>	<u>15,020</u>	<u>8.6</u>
Income (loss) from operations	<u>(22,509)</u>	<u>(8.2)</u>	<u>(13,660)</u>	<u>(5.0)</u>	<u>(8,849)</u>	<u>(64.8)</u>
Other income (expense), net	<u>(12,475)</u>	<u>(4.5)</u>	<u>(18,382)</u>	<u>(6.7)</u>	<u>5,907</u>	<u>32.1</u>
Income (loss) before taxes	(34,984)	(12.7)	(32,042)	(11.7)	(2,942)	(9.2)
Income tax expense (benefit)	<u>(6,372)</u>	<u>(2.3)</u>	<u>(2,293)</u>	<u>(0.8)</u>	<u>(4,079)</u>	<u>(177.9)</u>
Income (loss) before accounting change	(28,612)	(10.4)	(29,749)	(10.9)	1,137	3.8
Cumulative effect of accounting change	<u>-</u>	<u>-</u>	<u>(143,702)</u>	<u>(52.5)</u>	<u>143,702</u>	<u>100.0</u>
NET INCOME (LOSS)	<u>\$ (28,612)</u>	<u>(10.4)</u>	<u>\$ (173,451)</u>	<u>(63.3)</u>	<u>\$ 144,839</u>	<u>83.5</u>
Net income (loss) per share:						
Basic						
Before cumulative effect of accounting change	\$ (0.08)		\$ (0.08)		\$ 0.00	0.0
Cumulative effect of accounting change	<u>-</u>		<u>(0.40)</u>		<u>0.40</u>	<u>100.0</u>
	<u>\$ (0.08)</u>		<u>\$ (0.48)</u>		<u>\$ 0.40</u>	<u>83.8</u>
Diluted						
Before cumulative effect of accounting change	\$ (0.08)		\$ (0.08)		\$ 0.00	0.0
Cumulative effect of accounting change	<u>-</u>		<u>(0.40)</u>		<u>0.40</u>	<u>100.0</u>
	<u>\$ (0.08)</u>		<u>\$ (0.48)</u>		<u>\$ 0.40</u>	<u>83.8</u>
Weighted average shares:						
Basic	368,746		362,754			
Diluted	368,746		362,754			

Certain reclassifications, none of which affect net income, have been made to the prior period amounts in order to conform to the current year's presentation.

Novell, Inc.
Consolidated Unaudited Condensed Statements of Income
(In thousands, except per share data)

	<u>Q2 2003</u>	<u>%</u>	<u>Q1 2003</u>	<u>%</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Net revenue						
New software licenses	\$ 64,465	23.4	\$ 61,038	23.5	\$ 3,427	5.6
Maintenance and services	211,502	76.6	198,933	76.5	12,569	6.3
Total net revenue	<u>275,967</u>	<u>100.0</u>	<u>259,971</u>	<u>100.0</u>	<u>15,996</u>	<u>6.2</u>
Cost of revenue						
New software licenses	5,962	2.2	5,222	2.0	740	14.2
Maintenance and services	102,809	37.3	92,342	35.5	10,467	11.3
Total cost of revenue	<u>108,771</u>	<u>39.4</u>	<u>97,564</u>	<u>37.5</u>	<u>11,207</u>	<u>11.5</u>
Gross profit	<u>167,196</u>	<u>60.6</u>	<u>162,407</u>	<u>62.5</u>	<u>4,789</u>	<u>2.9</u>
Operating expenses						
Sales and marketing	101,737	36.9	98,305	37.8	3,432	3.5
Product development	48,354	17.5	42,922	16.5	5,432	12.7
General and administrative	30,939	11.2	27,345	10.5	3,594	13.1
Restructuring	8,675	3.1	-	-	8,675	-
Total operating expenses	<u>189,705</u>	<u>68.7</u>	<u>168,572</u>	<u>64.8</u>	<u>21,133</u>	<u>12.5</u>
Income (loss) from operations	<u>(22,509)</u>	<u>(8.2)</u>	<u>(6,165)</u>	<u>(2.4)</u>	<u>(16,344)</u>	<u>(265.1)</u>
Other income (expense), net	<u>(12,475)</u>	<u>(4.5)</u>	<u>(6,189)</u>	<u>(2.4)</u>	<u>(6,286)</u>	<u>(101.6)</u>
Income (loss) before taxes	(34,984)	(12.7)	(12,354)	(4.8)	(22,630)	(183.2)
Income tax expense (benefit)	<u>(6,372)</u>	<u>(2.3)</u>	<u>(466)</u>	<u>(0.2)</u>	<u>(5,906)</u>	<u>(1,267.4)</u>
NET INCOME (LOSS)	<u>\$ (28,612)</u>	<u>(10.4)</u>	<u>\$ (11,888)</u>	<u>(4.6)</u>	<u>\$ (16,724)</u>	<u>(140.7)</u>
Net income (loss) per share:						
Basic	\$ (0.08)		\$ (0.03)		\$ (0.05)	(140.2)
Diluted	\$ (0.08)		\$ (0.03)		\$ (0.05)	(140.2)
Weighted average shares:						
Basic	368,746		368,075			
Diluted	368,746		368,075			

Certain reclassifications, none of which affect net income, have been made to the prior period amounts in order to conform to the current year's presentation.

Novell, Inc.
Consolidated Unaudited Condensed Statements of Income
(In thousands, except per share data)

	Year-to-date 2003	%	Year-to-date 2002	%	\$ Change	% Change
Net revenue						
New software licenses	\$ 125,503	23.4	\$ 142,086	25.8	\$ (16,583)	(11.7)
Maintenance and services	410,435	76.6	409,626	74.2	809	0.2
Total net revenue	535,938	100.0	551,712	100.0	(15,774)	(2.9)
Cost of revenue						
New software licenses	11,184	2.1	13,613	2.5	(2,429)	(17.8)
Maintenance and services	195,151	36.4	216,784	39.3	(21,633)	(10.0)
Total cost of revenue	206,335	38.5	230,397	41.8	(24,062)	(10.4)
Gross profit	329,603	61.5	321,315	58.2	8,288	2.6
Operating expenses						
Sales and marketing	200,042	37.3	167,621	30.4	32,421	19.3
Product development	91,276	17.0	85,398	15.5	5,878	6.9
General and administrative	58,284	10.9	61,380	11.1	(3,096)	(5.0)
Restructuring	8,675	1.6	19,100	3.5	(10,425)	(54.6)
Total operating expenses	358,277	66.9	333,499	60.4	24,778	7.4
Income from operations	(28,674)	(5.4)	(12,184)	(2.2)	(16,490)	(135.3)
Other income (expense), net	(18,664)	(3.5)	(7,928)	(1.4)	(10,736)	(135.4)
Income (loss) before taxes	(47,338)	(8.8)	(20,112)	(3.6)	(27,226)	(135.4)
Income tax expense (benefit)	(6,838)	(1.3)	1,286	0.2	(8,124)	(631.7)
Income (loss) before accounting change	(40,500)	(7.6)	(21,398)	(3.9)	(19,102)	(89.3)
Cumulative effect of accounting change, net of tax	-	0.0	(143,702)	(26.0)	143,702	100.0
NET INCOME (LOSS)	\$ (40,500)	(7.6)	\$ (165,100)	(29.9)	\$ 124,600	75.5
Net income (loss) per share:						
Basic						
Before cumulative effect of accounting change	\$ (0.11)		\$ (0.06)		\$ (0.05)	(86.3)
Cumulative effect of accounting change	-		(0.40)		0.40	100.0
	<u>\$ (0.11)</u>		<u>\$ (0.46)</u>		<u>\$ 0.35</u>	<u>75.9</u>
Diluted						
Before cumulative effect of accounting change	\$ (0.11)		\$ (0.06)		\$ (0.05)	(86.3)
Cumulative effect of accounting change	-		(0.40)		0.40	100.0
	<u>\$ (0.11)</u>		<u>\$ (0.46)</u>		<u>\$ 0.35</u>	<u>75.9</u>
Weighted average shares:						
Basic	368,411		362,591			
Diluted	368,411		362,591			

Certain reclassifications, none of which affect net income, have been made to the prior period amounts in order to conform to the current year's presentation.

Novell, Inc.
Consolidated Unaudited Condensed Income Statements
Trailing Four Quarters
(in thousands, except per share data)

Novell, Inc.
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	<u>Q3 2002</u>	<u>%</u>	<u>Q4 2002</u>	<u>%</u>	<u>Q1 2003</u>	<u>%</u>	<u>Q2 2003</u>	<u>%</u>	<u>Last Four Quarters</u>	<u>%</u>
Net revenue										
New software licenses	\$ 82,894	29.4	\$ 94,301	31.4	\$ 61,038	23.5	\$ 64,465	23.4	\$ 302,698	27.1
Maintenance and services	199,379	70.6	206,034	68.6	198,933	76.5	211,502	76.6	815,848	72.9
Total net revenue	282,273	100.0	300,335	100.0	259,971	100.0	275,967	100.0	1,118,546	100.0
Cost of revenue										
New software licenses	8,098	2.9	9,464	3.2	5,222	2.0	5,962	2.2	28,746	2.6
Maintenance and services	101,724	36.0	99,735	33.2	92,342	35.5	102,809	37.3	396,610	35.5
Total cost of revenue	109,822	38.9	109,199	36.4	97,564	37.5	108,771	39.4	425,356	38.0
Gross profit	172,451	61.1	191,136	63.6	162,407	62.5	167,196	60.6	693,190	62.0
Operating expenses										
Sales and marketing	87,487	31.0	94,552	31.5	98,305	37.8	101,737	36.9	382,081	34.2
Product development	44,130	15.6	48,801	16.2	42,922	16.5	48,354	17.5	184,207	16.5
General and administrative	29,566	10.5	31,642	10.5	27,345	10.5	30,939	11.2	119,492	10.7
Restructuring	-	-	-	-	-	-	8,675	3.1	8,675	0.8
Purchased in-process R&D	3,000	1.1	-	-	-	-	-	-	3,000	0.3
Impairments	-	-	80,350	26.8	-	-	-	-	80,350	7.2
Total operating expenses	164,183	58.2	255,345	85.0	168,572	64.8	189,705	68.7	777,805	69.5
Income (loss) from operations	8,268	2.9	(64,209)	(21.4)	(6,165)	(2.4)	(22,509)	(8.2)	(84,615)	(7.6)
Other income (expense)										
Investment income	5,268	1.9	(23,595)	(7.9)	(7,140)	(2.7)	(10,459)	(3.8)	(35,926)	(3.2)
Other, net	1,962	0.7	193	0.1	951	0.4	(2,016)	(0.7)	1,090	0.1
Other income (expense), net	7,230	2.6	(23,402)	(7.8)	(6,189)	(2.4)	(12,475)	(4.5)	(34,836)	(3.1)
Income (loss) before taxes	15,498	5.5	(87,611)	(29.2)	(12,354)	(4.8)	(34,984)	(12.7)	(119,451)	(10.7)
Income tax expense (benefit)	5,549	2.0	4,061	1.4	(466)	(0.2)	(6,372)	(2.3)	2,772	0.2
NET INCOME (LOSS)	\$ 9,949	3.5	\$ (91,672)	(30.5)	\$ (11,888)	(4.6)	\$ (28,612)	(10.4)	\$ (122,223)	(10.9)
Net income (loss) per share:										
Basic	\$ 0.03		\$ (0.25)		\$ (0.03)		\$ (0.08)		\$ (0.33)	
Diluted	\$ 0.03		\$ (0.25)		\$ (0.03)		\$ (0.08)		\$ (0.33)	
Weighted average shares:										
Basic	364,211		364,884		368,075		368,746		366,479	
Diluted	364,247		364,884		368,075		368,746		366,479	

Certain reclassifications, none of which affect net income, have been made to the prior period amounts in order to conform to the current year's presentation.

Novell, Inc.
Solution Category, Business Category & Geography Revenue
(In thousands)

Revenue by Solution	<u>Q2 2003</u>	<u>%</u>	<u>Q2 2002</u>	<u>%</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
IT Software and Solutions						
Identity Management & Secure Web Services	\$ 22,669	8.2	\$ 16,630	6.1	\$ 6,039	36.3
Cross Platform Services						
Management & Collaboration	62,884	22.8	60,093	21.9	2,791	4.6
Services Platforms & Storage	79,130	28.6	86,959	31.7	(7,829)	(9.0)
Total Cross Platform Services	<u>142,014</u>	<u>51.4</u>	<u>147,052</u>	<u>53.6</u>	<u>(5,038)</u>	<u>(3.4)</u>
Total Software Licenses & Maintenance	164,683	59.6	163,682	59.7	1,001	0.6
Worldwide Services *	74,401	27.0	77,992	28.5	(3,591)	(4.6)
Total IT Software and Solutions	239,084	86.6	241,674	88.2	(2,590)	(1.1)
Celerant Management Consulting	<u>36,883</u>	<u>13.4</u>	<u>32,179</u>	<u>11.8</u>	<u>4,704</u>	<u>14.6</u>
Total Net Revenue	<u>\$ 275,967</u>	<u>100.0</u>	<u>\$ 273,853</u>	<u>100.0</u>	<u>\$ 2,114</u>	<u>0.8</u>

* includes consulting, technical services, and training

Revenue by Business Category	<u>Q2 2003</u>	<u>%</u>	<u>Q2 2002</u>	<u>%</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
New Software Licenses	\$ 64,465	23.4	\$ 70,448	25.7	\$ (5,983)	(8.5)
Maintenance and Services	211,502	76.6	203,405	74.3	8,097	4.0
Total Net Revenue	<u>\$ 275,967</u>	<u>100.0</u>	<u>\$ 273,853</u>	<u>100.0</u>	<u>\$ 2,114</u>	<u>0.8</u>

Revenue by Geography	<u>Q2 2003</u>	<u>%</u>	<u>Q2 2002</u>	<u>%</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
U.S.	\$ 125,844	45.6	\$ 143,061	52.2	\$ (17,217)	(12.0)
Europe, Middle East & Africa	112,318	40.7	92,244	33.7	20,074	21.8
Asia Pacific	20,908	7.6	19,920	7.3	988	5.0
Canada & Latin America	16,897	6.1	18,628	6.8	(1,731)	(9.3)
Total Net Revenue	<u>\$ 275,967</u>	<u>100.0</u>	<u>\$ 273,853</u>	<u>100.0</u>	<u>\$ 2,114</u>	<u>0.8</u>

Novell, Inc.
Solution Category, Business Category & Geography Revenue
(In thousands)

Revenue by Solution	<u>Q2 2003</u>	<u>%</u>	<u>Q1 2003</u>	<u>%</u>	<u>\$ Change</u>	<u>% Change</u>
IT Software and Solutions						
Identity Management & Secure Web Services	\$ 22,669	8.2	\$ 23,145	8.9	\$ (476)	(2.1)
Cross Platform Services						
Management & Collaboration	62,884	22.8	56,544	21.8	6,340	11.2
Services Platforms & Storage	79,130	28.6	79,308	30.4	(178)	(0.2)
Total Cross Platform Services	<u>142,014</u>	<u>51.4</u>	<u>135,852</u>	<u>52.2</u>	<u>6,162</u>	<u>4.5</u>
Total Software Licenses & Maintenance	164,683	59.6	158,997	61.1	5,686	3.6
Worldwide Services *	74,401	27.0	72,428	27.9	1,973	2.7
Total IT Software and Solutions	<u>239,084</u>	<u>86.6</u>	<u>231,425</u>	<u>89.0</u>	<u>7,659</u>	<u>3.3</u>
Celerant Management Consulting	<u>36,883</u>	<u>13.4</u>	<u>28,546</u>	<u>11.0</u>	<u>8,337</u>	<u>29.2</u>
Total Net Revenue	<u>\$ 275,967</u>	<u>100.0</u>	<u>\$ 259,971</u>	<u>100.0</u>	<u>\$ 15,996</u>	<u>6.2</u>

* includes consulting, technical services, and training

Revenue by Business Category	<u>Q2 2003</u>	<u>%</u>	<u>Q1 2003</u>	<u>%</u>	<u>\$ Change</u>	<u>% Change</u>
New Software Licenses	\$ 64,465	23.4	\$ 61,038	23.5	\$ 3,427	5.6
Maintenance and Services	211,502	76.6	198,933	76.5	12,569	6.3
Total Net Revenue	<u>\$ 275,967</u>	<u>100.0</u>	<u>\$ 259,971</u>	<u>100.0</u>	<u>\$ 15,996</u>	<u>6.2</u>

Revenue by Geography	<u>Q2 2003</u>	<u>%</u>	<u>Q1 2003</u>	<u>%</u>	<u>\$ Change</u>	<u>% Change</u>
U.S.	\$ 125,844	45.6	\$ 123,729	47.6	\$ 2,115	1.7
Europe, Middle East & Africa	112,318	40.7	103,345	39.8	8,973	8.7
Asia Pacific	20,908	7.6	17,857	6.9	3,051	17.1
Canada & Latin America	16,897	6.1	15,040	5.7	1,857	12.3
Total Net Revenue	<u>\$ 275,967</u>	<u>100.0</u>	<u>\$ 259,971</u>	<u>100.0</u>	<u>\$ 15,996</u>	<u>6.2</u>

Novell, Inc.
Solution Category, Business Category & Geography Revenue
(In thousands)

Revenue by Solution	<u>Year-to-date 2003</u>	<u>%</u>	<u>Year-to-date 2002</u>	<u>%</u>	<u>\$ Change</u>	<u>% Change</u>
IT Software and Solutions						
Identity Management & Secure Web Services	\$ 45,814	8.5	\$ 33,478	6.1	\$ 12,336	36.8
Cross Platform Services						
Management & Collaboration	119,428	22.3	117,235	21.2	2,193	1.9
Services Platforms & Storage	158,438	29.6	179,822	32.6	(21,384)	(11.9)
Total Cross Platform Services	<u>277,866</u>	<u>51.9</u>	<u>297,057</u>	<u>53.8</u>	<u>(19,191)</u>	<u>(6.5)</u>
Total Software Licenses & Maintenance	323,680	60.4	330,535	59.9	(6,855)	(2.1)
Worldwide Services *	<u>146,829</u>	<u>27.4</u>	<u>159,994</u>	<u>29.0</u>	<u>(13,165)</u>	<u>(8.2)</u>
Total IT Software and Solutions	470,509	87.8	490,529	88.9	(20,020)	(4.1)
Celerant Management Consulting	65,429	12.2	61,183	11.1	4,246	6.9
Total Net Revenue	<u>\$ 535,938</u>	<u>100.0</u>	<u>\$ 551,712</u>	<u>100.0</u>	<u>\$ (15,774)</u>	<u>(2.9)</u>

* includes consulting, technical services, and training

Revenue by Business Category	<u>Year-to-date 2003</u>	<u>%</u>	<u>Year-to-date 2002</u>	<u>%</u>	<u>\$ Change</u>	<u>% Change</u>
New Software Licenses	\$ 125,503	23.4	\$ 142,087	25.8	\$ (16,584)	(11.7)
Maintenance and Services	410,435	76.6	409,625	74.2	810	0.2
Total Net Revenue	<u>\$ 535,938</u>	<u>100.0</u>	<u>\$ 551,712</u>	<u>100.0</u>	<u>\$ (15,774)</u>	<u>(2.9)</u>

Revenue by Geography	<u>Year-to-date 2003</u>	<u>%</u>	<u>Year-to-date 2002</u>	<u>%</u>	<u>\$ Change</u>	<u>% Change</u>
U.S.	\$ 249,574	46.6	\$ 290,488	52.7	\$ (40,914)	(14.1)
Europe, Middle East & Africa	215,663	40.2	189,922	34.4	25,741	13.6
Asia Pacific	38,765	7.2	38,970	7.1	(205)	(0.5)
Canada & Latin America	31,936	6.0	32,332	5.8	(396)	(1.2)
Total Net Revenue	<u>\$ 535,938</u>	<u>100.0</u>	<u>\$ 551,712</u>	<u>100.0</u>	<u>\$ (15,774)</u>	<u>(2.9)</u>

Novell, Inc.
Solutions Category, Business Category & Geography Revenue
Trailing Four Quarters
(In thousands)

Revenue by Solution	Q3 2002	%	Q4 2002	%	Q1 2003	%	Q2 2003	%	Last Four Quarters	%
IT Software and Solutions										
Identity Management & Secure Web Services	\$ 19,576	6.9	\$ 31,865	10.6	\$ 23,145	8.9	\$ 22,669	8.2	\$ 97,255	8.7
Cross Platform Services										
Management & Collaboration	64,121	22.7	66,003	22.0	56,544	21.7	62,884	22.8	249,552	22.3
Services Platforms & Storage	89,086	31.6	91,935	30.6	79,308	30.5	79,130	28.6	339,459	30.3
Total Cross Platform Services	<u>153,207</u>	<u>54.3</u>	<u>157,938</u>	<u>52.6</u>	<u>135,852</u>	<u>52.2</u>	<u>142,014</u>	<u>51.4</u>	<u>589,011</u>	<u>52.7</u>
Total Software Licenses & Maintenance	172,783	61.2	189,803	63.2	158,997	61.1	164,683	59.6	686,266	61.4
Worldwide Services *	<u>77,949</u>	<u>27.6</u>	<u>78,023</u>	<u>26.0</u>	<u>72,428</u>	<u>27.9</u>	<u>74,401</u>	<u>27.0</u>	<u>302,801</u>	<u>27.1</u>
Total IT Software and Solutions	250,732	88.8	267,826	89.2	231,425	89.0	239,084	86.6	989,067	88.4
Celerant Management Consulting	31,541	11.2	32,509	10.8	28,546	11.0	36,883	13.4	129,479	11.6
Total Net Revenue	<u>\$ 282,273</u>	<u>100.0</u>	<u>\$ 300,335</u>	<u>100.0</u>	<u>\$ 259,971</u>	<u>100.0</u>	<u>\$ 275,967</u>	<u>100.0</u>	<u>\$ 1,118,546</u>	<u>100.0</u>

* includes consulting, technical services, and training

Revenue by Business Category	Q3 2002	%	Q4 2002	%	Q1 2003	%	Q2 2003	%	Last Four Quarters	%
New Software Licenses	\$ 82,894	29.4	\$ 94,301	31.4	\$ 61,038	23.5	\$ 64,465	23.4	\$ 302,698	27.1
Maintenance and Services	199,379	70.6	206,034	68.6	198,933	76.5	211,502	76.6	815,848	72.9
Total Net Revenue	<u>\$ 282,273</u>	<u>100.0</u>	<u>\$ 300,335</u>	<u>100.0</u>	<u>\$ 259,971</u>	<u>100.0</u>	<u>\$ 275,967</u>	<u>100.0</u>	<u>\$ 1,118,546</u>	<u>100.0</u>

Revenue by Geography	Q3 2002	%	Q4 2002	%	Q1 2003	%	Q2 2003	%	Last Four Quarters	%
U.S.	\$ 143,268	50.8	\$ 148,817	49.6	\$ 123,729	47.6	\$ 125,844	45.6	\$ 541,658	48.4
Europe, Middle East & Africa	102,278	36.2	110,863	36.9	103,345	39.7	112,318	40.7	428,804	38.3
Asia Pacific	20,241	7.2	22,629	7.5	17,857	6.9	20,908	7.6	81,635	7.3
Canada & Latin America	16,486	5.8	18,026	6.0	15,040	5.8	16,897	6.1	66,449	5.9
Total Net Revenue	<u>\$ 282,273</u>	<u>100.0</u>	<u>\$ 300,335</u>	<u>100.0</u>	<u>\$ 259,971</u>	<u>100.0</u>	<u>\$ 275,967</u>	<u>100.0</u>	<u>\$ 1,118,546</u>	<u>100.0</u>

Novell, Inc.
Solutions Category, Business Category & Geography Revenue
Fiscal 2002
(In thousands)

Revenue by Solution	<u>Q1 2002</u>	<u>%</u>	<u>Q2 2002</u>	<u>%</u>	<u>Q3 2002</u>	<u>%</u>	<u>Q4 2002</u>	<u>%</u>	<u>Fiscal 2002</u>	<u>%</u>
IT Software and Solutions										
Identity Management & Secure Web Services	\$ 16,849	6.1	\$ 16,630	6.1	\$ 19,576	6.9	\$ 31,866	10.6	\$ 84,921	7.5
Cross Platform Services										
Management & Collaboration	57,143	20.6	60,094	21.9	64,121	22.7	66,003	22.0	247,361	21.8
Services Platforms & Storage	92,862	33.4	86,959	31.8	89,086	31.6	91,935	30.6	360,842	31.8
Total Cross Platform Services	<u>150,005</u>	<u>54.0</u>	<u>147,053</u>	<u>53.7</u>	<u>153,207</u>	<u>54.3</u>	<u>157,938</u>	<u>52.6</u>	<u>608,203</u>	<u>53.6</u>
Total Software Licenses & Maintenance	166,854	60.0	163,683	59.8	172,783	61.2	189,804	63.2	693,124	61.1
Worldwide Services *	82,002	29.5	77,991	28.5	77,949	27.6	78,022	26.0	315,964	27.9
Total IT Software and Solutions	248,856	89.6	241,674	88.2	250,732	88.8	267,826	89.2	1,009,088	89.0
Celerant Management Consulting	29,003	10.4	32,179	11.8	31,541	11.2	32,509	10.8	125,232	11.0
Total Net Revenue	<u>\$ 277,859</u>	<u>100.0</u>	<u>\$ 273,853</u>	<u>100.0</u>	<u>\$ 282,273</u>	<u>100.0</u>	<u>\$ 300,335</u>	<u>100.0</u>	<u>\$ 1,134,320</u>	<u>100.0</u>

* includes consulting, technical services, and training

Revenue by Business Category	<u>Q1 2002</u>	<u>%</u>	<u>Q2 2002</u>	<u>%</u>	<u>Q3 2002</u>	<u>%</u>	<u>Q4 2002</u>	<u>%</u>	<u>Fiscal 2002</u>	<u>%</u>
New Software Licenses	\$ 71,638	26.0	\$ 70,448	26.0	\$ 82,894	29.0	\$ 94,301	31.0	\$ 319,281	28.0
Maintenance and Services	206,221	74.0	203,405	74.0	199,379	71.0	206,034	69.0	815,039	72.0
Total Net Revenue	<u>\$ 277,859</u>	<u>100.0</u>	<u>\$ 273,853</u>	<u>100.0</u>	<u>\$ 282,273</u>	<u>100.0</u>	<u>\$ 300,335</u>	<u>100.0</u>	<u>\$ 1,134,320</u>	<u>100.0</u>

Revenue by Geography	<u>Q1 2002</u>	<u>%</u>	<u>Q2 2002</u>	<u>%</u>	<u>Q3 2002</u>	<u>%</u>	<u>Q4 2002</u>	<u>%</u>	<u>Fiscal 2002</u>	<u>%</u>
U.S.	\$ 147,428	53.1	\$ 143,061	52.2	\$ 143,268	50.8	\$ 148,817	49.6	\$ 582,574	51.5
Europe, Middle East & Africa	97,678	35.2	92,244	33.7	102,278	36.2	110,863	36.9	403,063	35.5
Asia Pacific	19,050	6.9	19,920	7.3	20,241	7.2	22,629	7.5	81,840	7.2
Canada & Latin America	13,703	4.8	18,628	6.8	16,486	5.8	18,026	6.0	66,843	5.8
Total Net Revenue	<u>\$ 277,859</u>	<u>100.0</u>	<u>\$ 273,853</u>	<u>100.0</u>	<u>\$ 282,273</u>	<u>100.0</u>	<u>\$ 300,335</u>	<u>100.0</u>	<u>\$ 1,134,320</u>	<u>100.0</u>

Novell, Inc.
Solutions Category, Business Category & Geography Revenue
Fiscal 2001
(In thousands)

Revenue by Solution	<u>Q1 2001</u>	<u>%</u>	<u>Q2 2001</u>	<u>%</u>	<u>Q3 2001</u>	<u>%</u>	<u>Q4 2001</u>	<u>%</u>	<u>Fiscal 2001</u>	<u>%</u>
IT Software and Solutions										
Identity Management & Secure Web Services	\$ 14,848	6.1	\$ 14,712	6.1	\$ 11,362	4.6	\$ 17,157	5.4	\$ 58,079	5.5
Cross Platform Services										
Management & Collaboration	67,705	27.6	70,631	29.3	62,743	25.2	63,273	20.0	264,352	25.2
Services Platforms & Storage	113,797	46.4	105,381	43.8	103,200	41.4	101,959	32.3	424,337	40.4
Total Cross Platform Services	<u>181,502</u>	<u>74.0</u>	<u>176,012</u>	<u>73.1</u>	<u>165,943</u>	<u>66.6</u>	<u>165,232</u>	<u>52.3</u>	<u>688,689</u>	<u>65.6</u>
Total Software Licenses & Maintenance	196,350	80.1	190,724	79.2	177,305	71.2	182,389	57.7	746,768	71.1
Worldwide Services *	48,686	19.9	50,031	20.8	62,171	24.9	105,168	33.3	266,056	25.3
Total IT Software and Solutions	245,035	100.0	240,755	100.0	239,476	96.1	287,557	91.0	1,012,823	96.4
Celerant Management Consulting	0	-	0	-	9,608	3.9	28,365	9.0	37,973	3.6
Total Net Revenue	\$ 245,035	100.0	\$ 240,755	100.0	\$ 249,084	100.0	\$ 315,922	100.0	\$ 1,050,796	100.0

* includes consulting, technical services, and training

Revenue by Business Category	<u>Q1 2001</u>	<u>%</u>	<u>Q2 2001</u>	<u>%</u>	<u>Q3 2001</u>	<u>%</u>	<u>Q4 2001</u>	<u>%</u>	<u>Fiscal 2001</u>	<u>%</u>
New Software Licenses	\$ 98,674	40.3	\$ 90,683	37.7	\$ 85,068	34.2	\$ 91,297	28.9	\$ 365,722	34.8
Maintenance and Services	146,361	59.7	150,072	62.3	164,016	65.8	224,625	71.1	685,074	65.2
Total Net Revenue	\$ 245,035	100.0	\$ 240,755	100.0	\$ 249,084	100.0	\$ 315,922	100.0	\$ 1,050,796	100.0

Revenue by Geography	<u>Q1 2001</u>	<u>%</u>	<u>Q2 2001</u>	<u>%</u>	<u>Q3 2001</u>	<u>%</u>	<u>Q4 2001</u>	<u>%</u>	<u>Fiscal 2001</u>	<u>%</u>
U.S.	\$ 138,668	56.6	\$ 132,780	55.2	\$ 140,871	56.6	\$ 174,963	55.4	\$ 587,282	55.9
Europe, Middle East & Africa	70,275	28.7	71,047	29.5	75,486	30.3	99,660	31.5	316,468	30.1
Asia Pacific	20,641	8.4	21,281	8.8	16,478	6.6	23,978	7.6	82,378	7.8
Canada & Latin America	15,451	6.3	15,647	6.5	16,249	6.5	17,321	5.5	64,668	6.2
Total Net Revenue	\$ 245,035	100.0	\$ 240,755	100.0	\$ 249,084	100.0	\$ 315,922	100.0	\$ 1,050,796	100.0

Novell, Inc.
Products and Services Included Within Reported Line Items

Revenue by Solution

IT Software and Solutions

Identity Management & Secure Web Services

- > [Novell Nsure](#)
 - > [Account Management](#)
 - > [BorderManager](#)
 - > [DirXML](#)
 - > [eDirectory](#)
 - > [iChain](#)
 - > [NMAS](#)
 - > [Nsure Resources](#)
 - > [Secure Access](#)
 - > [SecureLogin](#)

- > [Novell exteNd](#)
 - > [exteNd Suite](#)
 - > [exteNd Composer](#)
 - > [exteNd App Server](#)
 - > [exteNd Director](#)

**Cross Platform Services
Management & Collaboration**

- > [Novell Nterprise](#)
 - > [GroupWise](#)
 - > [NetMail](#)
 - > [ZENworks](#)
 - > [Volera](#)
 - > [Communications & other](#)

Services Platforms & Storage

- > [Novell Nterprise](#)
 - > [NetWare](#)
 - > [Cluster Services](#)
 - > [Small Business Suite](#)
 - > [Nterprise Branch Office](#)
 - > [iFolder](#)

Worldwide Services

- > [Novell Ngage](#)
 - > [support services](#)
 - > [training services](#)
 - > [IT consulting services](#)
 - > [IT consulting billable expense](#)

Celerant Mangement Consulting

- > [Celerant Consulting](#)
- > [Celerant consulting billable expense](#)