

FOR IMMEDIATE RELEASE

August 25, 2005

Novell Reports Financial Results for Third Fiscal Quarter 2005

WALTHAM, Mass. – August 25, 2005 - Novell, Inc. (NASDAQ:NOVL) today announced financial results for its third fiscal quarter ended July 31, 2005. For the quarter, Novell reported revenues of \$290 million, compared to revenues of \$305 million for the third fiscal quarter 2004. Net income available to common stockholders in the third fiscal quarter 2005 was \$2 million or \$0.00 earnings per diluted common share. This compared to a net income available to common stockholders of \$24 million, or \$0.06 per diluted common share, for the third fiscal quarter 2004.

On a non-GAAP basis, adjusted net income available to common stockholders for the third fiscal quarter 2005 was \$14 million, or \$0.03 per diluted common share, excluding restructuring charges of \$9 million and excluding a net gain of \$1 million on the sale of previously impaired long-term investments. This compares to non-GAAP adjusted net income available to common stockholders for the third fiscal quarter 2004 of \$14 million, or \$0.03 per diluted common share, which excluded the effect of the payment from Canopy of \$19 million as a result of a legal judgment in favor of Novell, restructuring charges of \$9 million and long-term investment impairments of \$1 million. In the third fiscal quarter of 2004, \$14 million of the Canopy payment was recorded as revenue and the remaining \$5 million as interest income. Full details on Novell's reported results, including a reconciliation of the non-GAAP adjusted results, are included in the financial schedules that are a part of this release.

In the third fiscal quarter 2005 as compared to the prior year's period, foreign currency exchange rates favorably impacted total revenue by approximately \$4 million and did not have a material impact on net income.

During the third fiscal quarter 2005, Novell recognized Linux-related product revenue of \$44 million, including \$31 million from sales of Novell Open Enterprise Server (OES) and \$8 million from subscriptions to SUSE™ LINUX Enterprise Server (SLES). OES revenue of \$31 million reflects the first full quarter that OES was available. Sales of stand-alone subscriptions to SLES totaled 28,000 subscriptions in the quarter.

For the first nine months of fiscal 2005, Novell reported revenue of \$877 million and net income available to common stockholders of \$382 million, or \$0.88 per diluted common share, including a \$448 million net legal settlement with Microsoft. For the first nine months of fiscal 2004, which

includes the Canopy payment, the company reported revenue of \$865 million and net income available to common stockholders of \$18 million, or \$0.05 per diluted common share.

“Customers continue to embrace Novell's Linux and Identity solutions,” said Jack Messman, Chairman and CEO of Novell. “We were particularly pleased with our initial penetration of the Chinese market where Linux is an attractive technology for government and commercial users. Our increasingly customer-focused, go-to-market approach is leading to a stronger Novell as evidenced by our positive operating cash flow and growth in deferred revenue in the quarter. While we were profitable this quarter, we still have improvements to make in our business which will lead to cost reductions.”

On the balance sheet, cash and short-term investments were \$1.6 billion at July 31, 2005, consistent with \$1.6 billion at April 30, 2005. Days sales outstanding (DSO) in accounts receivable was 77 days at the end of the third fiscal quarter 2005, consistent with the year ago quarter. Deferred revenue was \$365 million at the end of the third fiscal quarter 2005, up \$28 million or 8% from the prior year. Cash flow from operations was a positive \$15 million for the third fiscal quarter 2005, down from \$65 million in the third fiscal quarter 2004, which included the \$19 million payment from Canopy.

A summary of Novell's vision, mission and strategy can be accessed on the Novell® Web site at: <http://www.novell.com/company/ir/qresults/>.

Conference call notification and Web access detail

A live Webcast of a Novell conference call to discuss the quarter will be broadcast at 5PM ET August 25, 2005, from Novell's Investor Relations Web page: <http://www.novell.com/company/ir/qresults/>.

The domestic conference call dial-in number is 866-335-5255, password “Novell”, and the international dial-in number is +1-706-679-2263, password “Novell”.

The call will be archived on the Web site approximately 15 minutes after its conclusion, and will be available for telephone playback through midnight, September 7. The domestic toll-free replay number is 800-642-1687, and the international replay number is +1-706-645-9291. Replay listeners must enter conference ID number 8265930.

A copy of this press release is posted on Novell's Web site at: <http://www.novell.com/company/ir/qresults/>.

Legal notice regarding forward-looking statements

This press release includes statements that are not historical in nature and that may be characterized as “forward-looking statements,” including those related to future financial and operating results, benefits and synergies of the company’s brands and strategies, future opportunities and the growth of the market for open source and identity management solutions. You should be aware that Novell’s actual results could differ materially from those contained in the forward-looking statements, which are based on current expectations of Novell management and are subject to a number of risks and uncertainties, including, but not limited to, Novell’s ability to integrate acquired operations and employees, Novell’s success in executing its Linux* and identity management strategies, Novell’s ability to take a competitive position in the Linux and identity management industries, business conditions and the general economy, market opportunities, potential new business strategies, competitive factors, sales and marketing execution, shifts in technologies or market demand and the other factors described in Novell’s Annual Report on Form 10-K filed with the Securities and Exchange Commission on January 13, 2005. Novell disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this press release.

About Novell

Novell, Inc. (Nasdaq: NOVL) is a leading provider of infrastructure software and services to over 50,000 customers in 43 countries. With more than 20 years of experience in data center, workgroup and desktop solutions, Novell's 6,000 employees, 5,000 partners and support centers around the world are meeting customer requirements for identity-driven computing and Linux solutions. By providing enterprise-class software and support for commercial and open source software, Novell delivers increased operating flexibility and choice at a lower total cost of ownership. More information about Novell can be found at <http://www.novell.com>.

Novell is a registered trademark of Novell, Inc.; and SUSE is a trademark of Novell, Inc. in the United States and other countries. * Linux is a registered trademark of Linus Torvalds. All other third-party trademarks are the property of their respective owners.

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

	Fiscal Quarter Ended		Fiscal Year-to-Date	
	Jul 31, 2005	Jul 31, 2004	Jul 31, 2005	Jul 31, 2004
Net revenue				
New software licenses	\$ 45,628	\$ 57,024	\$ 135,692	\$ 172,043
Maintenance and services	244,586	247,573	741,701	693,217
Total net revenue	290,214	304,597	877,393	865,260
Cost of revenue				
New software licenses	4,475	5,613	13,970	16,621
Maintenance and services	101,534	98,343	321,431	288,653
Total cost of revenue	106,009	103,956	335,401	305,274
Gross profit	184,205	200,641	541,992	559,986
Operating (income) expenses				
Sales and marketing	93,464	91,660	288,420	268,534
Product development	48,655	48,390	146,832	149,161
General and administrative	31,788	28,729	90,168	79,201
Restructuring expenses	9,375	9,250	21,155	13,987
Acquired in-process research and development	-	-	480	-
Gain on sale of property, plant and equipment	-	-	(1,589)	(1,977)
Gain on settlement of potential litigation	-	-	(447,560)	-
Total operating (income) expenses	183,282	178,029	97,906	508,906
Income from operations	923	22,612	444,086	51,080
Other income (expense), net	9,258	6,182	21,748	9,034
Income before income taxes	10,181	28,794	465,834	60,114
Income tax expense	8,041	5,389	84,160	16,191
Net income	\$ 2,140	\$ 23,405	\$ 381,674	\$ 43,923
Deemed dividend related to beneficial conversion feature of preferred stock	-	-	-	(25,680)
Preferred stock dividends	(125)	(189)	(375)	(291)
Allocation of earnings to preferred stockholders	(21)	-	(3,987)	-
Net income available to common stockholders - basic	\$ 1,994	\$ 23,216	\$ 377,312	\$ 17,952
Net income available to common stockholders - diluted	\$ 1,910	\$ 23,886	\$ 381,539	\$ 17,952
Net income per common share:				
Basic	\$ 0.01	\$ 0.06	\$ 1.00	\$ 0.05
Diluted	\$ 0.00	\$ 0.06	\$ 0.88	\$ 0.05
Weighted average shares:				
Basic	380,242	383,400	378,573	382,678
Diluted	385,377	414,191	435,820 *	393,758

Certain reclassifications, none of which affected net income, were made to the prior period amounts in order to conform to the current period's presentation.

* Year-to-date fiscal 2005 diluted weighted average shares includes 52 million potential common shares related to convertible debt which are not included in the current quarter calculation because they are anti-dilutive.

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

ASSETS	<u>Jul 31, 2005</u>	<u>Oct 31, 2004</u>
Current assets		
Cash and cash equivalents	\$ 985,830	\$ 434,404
Short-term investments	618,461	777,063
Receivables, net	255,426	269,431
Prepaid expenses	33,399	25,190
Other current assets	<u>25,095</u>	<u>28,846</u>
Total current assets	1,918,211	1,534,934
Property, plant and equipment, net	211,729	231,468
Long-term investments	56,490	55,986
Goodwill	395,379	391,088
Intangible assets, net	61,715	48,616
Deferred income taxes	630	-
Other assets	<u>27,098</u>	<u>29,456</u>
Total assets	<u>\$ 2,671,252</u>	<u>\$ 2,291,548</u>
 LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 48,660	\$ 55,956
Accrued compensation	101,195	126,612
Other accrued liabilities	96,360	98,983
Income taxes payable	52,855	37,077
Deferred revenue	<u>365,365</u>	<u>374,186</u>
Total current liabilities	664,435	692,814
Deferred income taxes	4,065	3,855
Senior convertible debentures	<u>600,000</u>	<u>600,000</u>
Total liabilities	1,268,500	1,296,669
Minority interests	6,308	6,515
Preferred stock	25,000	25,000
Stockholders' equity	<u>1,371,444</u>	<u>963,364</u>
Total liabilities and stockholders' equity	<u>\$ 2,671,252</u>	<u>\$ 2,291,548</u>

Certain reclassifications, none of which affected net income, were made to the prior period amounts in order to conform to the current period's presentation.

Novell, Inc.
Consolidated Unaudited Condensed Statements of Cash Flows
(In thousands)

	Fiscal Quarter Ended		Fiscal Year-to-Date	
	Jul 31, 2005	Jul 31, 2004	Jul 31, 2005	Jul 31, 2004
Cash flows from operating activities:				
Net income	\$ 2,140	\$ 23,405	\$ 381,674	\$ 43,923
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	11,107	11,854	42,308	38,956
Change in accounts receivable allowances	(3,563)	81	(9,352)	(1,843)
Income tax benefits related to stock plans	2,906	-	16,166	-
Utilization of previously reserved acquired net operating losses	-	-	29,600	-
(Gain) loss on sale of property, plant and equipment	-	10	(1,589)	(1,977)
(Gain) loss on impaired investments	(822)	552	1,108	2,448
Acquired in-process research and development	-	-	480	-
Changes in current assets and liabilities, excluding the effect of acquisitions	3,527	28,955	(18,247)	(13,913)
Net cash provided by operating activities	15,295	64,857	442,148	67,594
Cash flows from financing activities:				
Issuance of common stock, net	3,056	1,364	16,035	47,983
Issuance of convertible preferred stock	-	-	-	50,000
Issuance of senior convertible debentures	-	600,000	-	600,000
Payment of issuance costs on senior convertible debentures	-	(14,850)	-	(14,850)
Payment of cash dividends on preferred stock	(125)	(190)	(375)	(291)
Repurchase of common stock, held in treasury	-	(125,000)	-	(125,000)
Net cash provided by financing activities	2,931	461,324	15,660	557,842
Cash flows from investing activities:				
Purchases of property, plant and equipment	(8,484)	(7,511)	(20,168)	(19,524)
Proceeds from the sale of property, plant and equipment	-	163	10,421	2,140
Proceeds from the sale of long-term investments	2,405	-	2,405	-
Short-term investment activity	(8,583)	(193,567)	153,792	(193,514)
Cash paid for acquisition of Salmon, net of cash acquired	-	(5,322)	-	(5,322)
Cash paid for acquisition of SUSE, net of cash acquired	-	-	-	(200,298)
Cash paid for acquisition of Tally and Immunix, net of cash acquired	-	-	(33,829)	-
Other	(4,613)	222	(19,003)	(2,212)
Net cash (used in) provided by investing activities	(19,275)	(206,015)	93,618	(418,730)
Increase in cash and cash equivalents	(1,049)	320,166	551,426	206,706
Cash and cash equivalents - beginning of period	986,879	253,472	434,404	366,932
Cash and cash equivalents - end of period	\$ 985,830	\$ 573,638	\$ 985,830	\$ 573,638

Certain reclassifications, none of which affected net income, were made to the prior period amounts in order to conform to the current period's presentation.

Novell, Inc.
Unaudited Non-GAAP Adjusted Earnings Information

(In thousands, except per share data)

	<u>GAAP</u>		<u>Non-GAAP</u>
	<u>As Reported</u>	<u>Adjustments</u>	<u>Adjusted</u>
<u>Fiscal quarter ended July 31, 2005</u>			
Net revenue	\$ 290,214	\$ -	\$ 290,214
Gross profit	184,205	-	184,205
Income from operations	923	9,375 (a)	10,298
Income before income taxes	10,181	8,553 (b)	18,734
Net income	2,140	11,194 (c)	13,334
Diluted net income available to common stockholders	1,910	12,577 (d)	14,487
Diluted net income per common share	\$ 0.00	\$ 0.03 (d)	\$ 0.03
Diluted weighted average shares	385,377	52,075 (e)	437,452
<u>Fiscal quarter ended April 30, 2005</u>			
Net revenue	\$ 297,051	\$ -	\$ 297,051
Gross profit	179,710	-	179,710
Income (loss) from operations	(6,402)	5,841 (f)	(561)
Income before income taxes	1,053	6,758 (g)	7,811
Net income (loss)	(15,627)	17,092 (h)	1,465
Diluted net income (loss) available to common stockholders	(15,752)	17,078 (i)	1,326
Diluted net income (loss) per common share	\$ (0.04)	\$ 0.04 (i)	\$ 0.00
Diluted weighted average shares	378,219	4,384 (j)	382,603
<u>Fiscal quarter ended July 31, 2004</u>			
Net revenue	\$ 304,597	\$ (13,500) (k)	\$ 291,097
Gross profit	200,641	(13,500) (k)	187,141
Income from operations	22,612	(4,070) (l)	18,542
Income before income taxes	28,794	(8,561) (m)	20,233
Net income	23,405	(9,453) (n)	13,952
Diluted net income available to common stockholders	23,886	(9,453) (n)	14,433
Diluted net income per common share	\$ 0.06	\$ (0.03) (n)	\$ 0.03
Diluted weighted average shares	414,191	-	414,191

Footnotes related to adjustments:

- (a) Reflects restructuring expenses of \$9.4 million.
- (b) Reflects the item in footnote (a) and a net gain on the sale of previously impaired long-term investments of \$0.8 million.
- (c) Reflects the items in footnotes (a) and (b), and the related tax adjustments, including a \$2.9 million adjustment related to the cumulative tax effect of a settlement of potential litigation.
- (d) Reflects the items in footnotes (a), (b) and (c), and the related adjustments for preferred stock dividends and the allocation of earnings to preferred stockholders.
- (e) Reflects potential common shares related to convertible debt that are added to weighted average shares in computing non-GAAP diluted net income per common share.
- (f) Reflects restructuring expenses of \$5.4 million and acquired in-process research and development expense of \$0.5 million.
- (g) Reflects the items in footnote (f) and long-term investment impairments of \$0.9 million.
- (h) Reflects the items in footnotes (f) and (g), and the related tax adjustments, including a \$12.1 million adjustment related to the cumulative tax effect of a settlement of potential litigation.
- (i) Reflects the items in footnotes (f), (g) and (h), and the related adjustments for preferred stock dividends and the allocation of earnings to preferred stockholders.
- (j) Reflects potential common shares related to stock options and unvested restricted stock that are added to weighted average shares in computing non-GAAP diluted net income per common share.
- (k) Reflects satisfaction of judgment against The Canopy Group, Inc. recorded as revenue of \$13.5 million.
- (l) Reflects the item in footnote (k), restructuring charges of \$9.3 million and integration costs related to SUSE of \$0.2 million.
- (m) Reflects the items in footnotes (k) and (l), satisfaction of judgment against The Canopy Group, Inc. recorded as interest income of \$5 million and long-term investment impairments of \$0.6 million.
- (n) Reflects the items in footnotes (k), (l) and (m), and the necessary related tax adjustments.

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

	Fiscal Year								Trailing Four		
	Q3 2004	%	2004	%	Q2 2005	%			Q3 2005	%	Quarters
Net revenue											
New software licenses	\$ 57,024	18.7	\$ 234,037	20.1	\$ 45,768	15.4	\$ 45,628	15.7	\$ 197,686	16.8	
Maintenance and services	247,573	81.3	931,880	79.9	251,283	84.6	244,586	84.3	980,364	83.2	
Total net revenue	304,597	100.0	1,165,917	100.0	297,051	100.0	290,214	100.0	1,178,050	100.0	
Cost of revenue											
New software licenses	5,613	1.8	23,478	2.0	4,863	1.6	4,475	1.5	20,827	1.8	
Maintenance and services	98,343	32.3	392,201	33.6	112,478	37.9	101,534	35.0	424,979	36.1	
Total cost of revenue	103,956	34.1	415,679	35.7	117,341	39.5	106,009	36.5	445,806	37.8	
Gross profit	200,641	65.9	750,238	64.3	179,710	60.5	184,205	63.5	732,244	62.2	
Operating (income) expenses											
Sales and marketing	91,660	30.1	365,319	31.3	99,712	33.6	93,464	32.2	385,205	32.7	
Product development	48,390	15.9	195,864	16.8	50,419	17.0	48,655	16.8	193,535	16.4	
General and administrative	28,729	9.4	102,437	8.8	30,140	10.1	31,788	11.0	113,404	9.6	
Restructuring expenses	9,250	3.0	22,903	2.0	5,361	1.8	9,375	3.2	30,071	2.6	
Acquired in-process research and development	-	-	-	-	480	0.2	-	-	480	0.0	
Gain on sale of property, plant and equipment	-	-	(1,977)	(0.2)	-	-	-	-	(1,589)	(0.1)	
Gain on settlement of potential litigation	-	-	-	-	-	-	-	-	(447,560)	(38.0)	
Total operating (income) expenses	178,029	58.4	684,546	58.7	186,112	62.7	183,282	63.2	273,546	23.2	
Income (loss) from operations	22,612	7.4	65,692	5.6	(6,402)	(2.2)	923	0.3	458,698	38.9	
Other income (expense)											
Investment income	7,574	2.5	17,986	1.5	9,323	3.1	10,832	3.7	33,031	2.8	
Other, net	(1,392)	(0.5)	(8,704)	(0.7)	(1,868)	(0.6)	(1,574)	(0.5)	(11,035)	(0.9)	
Other income (expense), net	6,182	2.0	9,282	0.8	7,455	2.5	9,258	3.2	21,996	1.9	
Income before income taxes	28,794	9.5	74,974	6.4	1,053	0.4	10,181	3.5	480,694	40.8	
Income tax expense	5,389	1.8	17,786	1.5	16,680	5.6	8,041	2.8	85,755	7.3	
Net income (loss)	\$ 23,405	7.7	\$ 57,188	4.9	\$ (15,627)	(5.3)	\$ 2,140	0.7	\$ 394,939	33.5	
Deemed dividend related to beneficial conversion feature of preferred stock	-	-	(25,680)	(2.2)	-	-	-	-	-	-	
Preferred stock dividends	(189)	(0.1)	(416)	(0.0)	(125)	(0.0)	(125)	(0.0)	(500)	(0.0)	
Allocation of earnings to preferred stockholders	-	-	(275)	(0.0)	-	-	(21)	(0.0)	(4,133)	(0.4)	
Net income (loss) available to common stockholders - basic	\$ 23,216	7.6	\$ 30,816	2.6	\$ (15,752)	(5.3)	\$ 1,994	0.7	\$ 390,306	33.1	
Net income (loss) available to common stockholders - diluted	\$ 23,886	7.8	\$ 30,816	2.6	\$ (15,752)	(5.3)	\$ 1,910	0.7	\$ 396,194	33.6	
Net income (loss) per common share:											
Basic	\$ 0.06		\$ 0.08		\$ (0.04)		\$ 0.01		\$ 1.03		
Diluted	\$ 0.06		\$ 0.08		\$ (0.04)		\$ 0.00		\$ 0.91		
Weighted average shares:											
Basic	383,400		381,100		378,219		380,242		377,718		
Diluted	414,191		390,879		378,219		385,377		435,425		

Certain reclassifications, none of which affected net income, were made to the prior period amounts in order to conform to the current period's presentation.

Novell, Inc.
Unaudited Trended Solutions and Segment Revenue
(In thousands)

Revenue by solution	Fiscal Year						Q3 2005		Trailing Four Quarters	
	Q3 2004	%	2004	%	Q2 2005	%	Q3 2005	%	Quarters	%
IT software and solutions										
Identity-based computing										
Identity management & web services	\$ 26,720	8.8	\$ 101,531	8.7	\$ 25,735	8.7	\$ 27,397	9.4	\$ 108,263	9.2
Resource management	31,504	10.3	124,337	10.7	31,336	10.5	32,881	11.3	127,788	10.8
Total identity-based computing	<u>58,224</u>	<u>19.1</u>	<u>225,868</u>	<u>19.4</u>	<u>57,071</u>	<u>19.2</u>	<u>60,278</u>	<u>20.8</u>	<u>236,051</u>	<u>20.0</u>
Cross platform services										
Linux & platform services	97,479	32.0	349,593	30.0	79,620	26.8	79,807	27.5	326,373	27.7
Collaboration & other products	30,194	9.9	123,544	10.6	29,036	9.8	27,171	9.4	115,028	9.8
Total cross platform services	<u>127,673</u>	<u>41.9</u>	<u>473,137</u>	<u>40.6</u>	<u>108,656</u>	<u>36.6</u>	<u>106,978</u>	<u>36.9</u>	<u>441,401</u>	<u>37.5</u>
Total software licenses & maintenance	185,897	61.0	699,005	60.0	165,727	55.8	167,256	57.6	677,452	57.5
Worldwide services	<u>74,944</u>	<u>24.6</u>	<u>304,848</u>	<u>26.1</u>	<u>87,417</u>	<u>29.4</u>	<u>85,126</u>	<u>29.3</u>	<u>335,628</u>	<u>28.5</u>
Total IT software and solutions	260,841	85.6	1,003,853	86.1	253,144	85.2	252,382	87.0	1,013,080	86.0
Celerant consulting	43,756	14.4	162,064	13.9	43,907	14.8	37,832	13.0	164,970	14.0
Total net revenue by solution	\$ 304,597	100.0	\$ 1,165,917	100.0	\$ 297,051	100.0	\$ 290,214	100.0	\$ 1,178,050	100.0
Revenue by segment										
North America	\$ 141,078	46.3	\$ 514,477	44.1	\$ 125,219	42.2	\$ 129,886	44.8	\$ 511,692	43.4
EMEA	92,209	30.3	378,273	32.4	99,044	33.3	92,633	31.9	386,425	32.8
Asia Pacific	16,082	5.3	61,774	5.3	14,181	4.8	17,019	5.9	61,353	5.2
Latin America	4,539	1.5	21,026	1.8	5,346	1.8	5,590	1.9	21,491	1.8
Japan	6,933	2.3	28,304	2.4	9,354	3.1	7,254	2.5	32,120	2.7
Celerant Consulting	<u>43,756</u>	<u>14.4</u>	<u>162,063</u>	<u>13.9</u>	<u>43,907</u>	<u>14.8</u>	<u>37,832</u>	<u>13.0</u>	<u>164,969</u>	<u>14.0</u>
Total net revenue by segment	\$ 304,597	100.0	\$ 1,165,917	100.0	\$ 297,051	100.0	\$ 290,214	100.0	\$ 1,178,050	100.0

Certain reclassifications were made to the prior period amounts in order to conform to the current period's presentation.

\$13.5 million Q3 2004 payment from The Canopy Group, Inc. is recorded in Linux & Platform Services as maintenance and services revenue in North America.

Unaudited Trended Solutions Revenue by New Software Licenses and Maintenance and Services
(In thousands)

	Q3 2004		Fiscal Year 2004		Q2 2005		Q3 2005		Trailing Four Quarters	
		%		%		%		%		%
IT software and solutions										
Identity-based computing										
Identity management & web services										
New software licenses	\$ 11,369	3.7	\$ 40,545	3.5	\$ 7,970	2.7	\$ 8,647	3.0	\$ 38,358	3.3
Maintenance and services	15,351	5.0	60,986	5.2	17,765	6.0	18,750	6.5	69,905	5.9
	<u>26,720</u>	<u>8.8</u>	<u>101,531</u>	<u>8.7</u>	<u>25,735</u>	<u>8.7</u>	<u>27,397</u>	<u>9.4</u>	<u>108,263</u>	<u>9.2</u>
Resource management										
New software licenses	10,120	3.3	40,505	3.5	7,171	2.4	8,195	2.8	33,546	2.8
Maintenance and services	21,384	7.0	83,832	7.2	24,165	8.1	24,686	8.5	94,242	8.0
	<u>31,504</u>	<u>10.3</u>	<u>124,337</u>	<u>10.7</u>	<u>31,336</u>	<u>10.5</u>	<u>32,881</u>	<u>11.3</u>	<u>127,788</u>	<u>10.8</u>
Cross platform services										
Linux & platform services										
New software licenses	25,221	8.3	107,698	9.2	20,868	7.0	20,667	7.1	87,821	7.5
Maintenance and services	72,258	23.7	241,895	20.7	58,752	19.8	59,140	20.4	238,552	20.2
	<u>97,479</u>	<u>32.0</u>	<u>349,593</u>	<u>30.0</u>	<u>79,620</u>	<u>26.8</u>	<u>79,807</u>	<u>27.5</u>	<u>326,373</u>	<u>27.7</u>
Collaboration & other products										
New software licenses	10,314	3.4	45,289	3.9	9,759	3.3	8,119	2.8	37,961	3.2
Maintenance and services	19,880	6.5	78,255	6.7	19,277	6.5	19,052	6.6	77,067	6.5
	<u>30,194</u>	<u>9.9</u>	<u>123,544</u>	<u>10.6</u>	<u>29,036</u>	<u>9.8</u>	<u>27,171</u>	<u>9.4</u>	<u>115,028</u>	<u>9.8</u>
Total software, licenses & maintenance										
New software licenses	57,024	18.7	234,037	20.1	45,768	15.4	45,628	15.7	197,686	16.8
Maintenance and services	128,873	42.3	464,968	39.9	119,959	40.4	121,628	41.9	479,766	40.7
	<u>185,897</u>	<u>61.0</u>	<u>699,005</u>	<u>60.0</u>	<u>165,727</u>	<u>55.8</u>	<u>167,256</u>	<u>57.6</u>	<u>677,452</u>	<u>57.5</u>
Worldwide services	<u>74,944</u>	<u>24.6</u>	<u>304,848</u>	<u>26.1</u>	<u>87,417</u>	<u>29.4</u>	<u>85,126</u>	<u>29.3</u>	<u>335,628</u>	<u>28.5</u>
Total IT software and solutions										
New software licenses	57,024	18.7	234,037	20.1	45,768	15.4	45,628	15.7	197,686	16.8
Maintenance and services	203,817	66.9	769,816	66.0	207,376	69.8	206,754	71.2	815,394	69.2
	<u>260,841</u>	<u>85.6</u>	<u>1,003,853</u>	<u>86.1</u>	<u>253,144</u>	<u>85.2</u>	<u>252,382</u>	<u>87.0</u>	<u>1,013,080</u>	<u>86.0</u>
Celerant consulting	<u>43,756</u>	<u>14.4</u>	<u>162,064</u>	<u>13.9</u>	<u>43,907</u>	<u>14.8</u>	<u>37,832</u>	<u>13.0</u>	<u>164,970</u>	<u>14.0</u>
Total net revenue										
New software licenses	57,024	18.7	234,037	20.1	45,768	15.4	45,628	15.7	197,686	16.8
Maintenance and services	247,573	81.3	931,880	79.9	251,283	84.6	244,586	84.3	980,364	83.2
Total net revenue	<u>\$ 304,597</u>	<u>100.0</u>	<u>\$ 1,165,917</u>	<u>100.0</u>	<u>\$ 297,051</u>	<u>100.0</u>	<u>\$ 290,214</u>	<u>100.0</u>	<u>\$ 1,178,050</u>	<u>100.0</u>

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Novell, Inc.
Major IT Software and Solutions Included Within Reported Line Items

Identity-Based Computing

Identity Management & Web Services

- > Identity Manager (*DirXML*)
- > Web Services (*exteNd*)
- > eDirectory
- > BorderManager
- > SecureLogin
- > iChain

Resource Management

- > ZENworks Suite
- > ZENworks Patch Management
- > ZENworks Asset Management
- > ZENworks Linux Management (*Red Carpet*)

Cross platform services

Linux & Platform Services

- > Open Enterprise Server
- > SUSE LINUX Enterprise Server
- > SUSE LINUX Professional
- > NetWare
- > Small Business Suite
- > Cluster Services

Collaboration & Other Products

- > GroupWise
- > Novell Linux Desktop
- > Other Products

Worldwide services

- > IT Consulting Services
- > Technical Support Services
- > Training Services