

FOR IMMEDIATE RELEASE

December 1, 2005

Novell Reports Financial Results for Fourth Fiscal Quarter and Full Fiscal Year 2005

Net revenue grows 7% to \$320 million, Linux subscriptions more than triple to 65,000, and Identity solutions grow 35% year over year

WALTHAM, Mass. – December 1, 2005 - Novell, Inc. (NASDAQ:NOVL) today announced financial results for its fourth fiscal quarter and fiscal year ended October 31, 2005. For the quarter, Novell reported revenue of \$320 million, compared to revenue of \$301 million for the fourth fiscal quarter 2004. Net loss available to common stockholders in the fourth fiscal quarter 2005 was \$5 million or \$0.01 loss per diluted common share. This compared to net income available to common stockholders of \$15 million, or \$0.03 per diluted common share, for the fourth fiscal quarter 2004.

On a non-GAAP basis, adjusted net income available to common stockholders for the fourth fiscal quarter 2005 was \$33 million, or \$0.07 per diluted common share, which excludes restructuring charges of \$38 million, impairments of investments and intangible assets of \$2 million and adjustments for income taxes, debt interest expense and the allocation of earnings to preferred stockholders. This compares to non-GAAP adjusted net income available to common stockholders for the fourth fiscal quarter 2004 of \$25 million, or \$0.06 per diluted common share, which excludes restructuring charges of \$9 million and net investment impairments of \$1 million.

For the full fiscal year 2005, Novell reported revenue of \$1.198 billion and diluted net income available to common stockholders of \$378 million, or \$0.86 per diluted common share, including a \$448 million net legal settlement with Microsoft. Comparatively, revenue for the full fiscal year 2004 was \$1.166 billion and diluted net income available to common stockholders was \$31 million, or \$0.08 per diluted common share.

During the fourth fiscal quarter 2005, Novell recognized Linux* platform revenue of \$61 million, which was up 418% from the year ago quarter. Linux platform revenue included \$46 million from sales of Open Enterprise Server (OES) and \$15 million of revenue from other Linux products and services. Sales of stand-alone subscriptions to SUSE® Linux Enterprise Server (SLES) totaled 65,000 subscriptions in the quarter, excluding subscriptions sold under enterprise-wide licensing deals, up 137% sequentially, and 216% on a year over year basis. For the full fiscal year 2005, Novell reported Linux platform revenue of \$148 million, up 278% from fiscal 2004.

During the fourth fiscal quarter 2005, Novell recognized \$84 million of Identity-driven computing revenue, up 35% year over year. Identity-driven computing revenue for the full fiscal year 2005 totaled \$258 million, an increase of 14% year over year.

“We are very pleased with the strong finish we had in this fiscal year,” said Jack Messman, Chairman and CEO of Novell. “Our quarterly revenue and profitability on a non-GAAP basis were the highest Novell has achieved for several years. We've made steady progress over the past two years in transforming Novell, including hiring key executives, restructuring our field operations and focusing our business on the Linux and Identity markets. While we are not yet fully complete in that transformation and we still have operational hurdles ahead of us, we enter fiscal year 2006 better prepared to take advantage of our growth opportunities in Linux and Identity.”

Cash, cash equivalents and short-term investments were \$1.7 billion at October 31, 2005, up from \$1.6 billion at July 31, 2005. Days sales outstanding (DSO) in accounts receivable was 81 days at the end of the fourth fiscal quarter 2005, up from 77 in the year ago quarter. Deferred revenue was \$406 million at the end of the fourth fiscal quarter 2005, up \$32 million or 8% from the prior year. Cash flow from operations was \$58 million for the fourth fiscal quarter 2005, up from \$52 million in the fourth fiscal quarter 2004.

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.

With regard to the previously announced common stock repurchase plan, Novell has not repurchased any of its common stock to date because it has been continuously subject to self-imposed trading blackouts since the share repurchase program was announced on September 22, 2005.

Financial Outlook

Novell management provided the following financial guidance:

- Net revenue for the first fiscal quarter 2006 is expected to be between \$260 and \$270 million.
- Net income per diluted common share for the first fiscal quarter 2006 is expected to be between \$0.02 and \$0.03, excluding an estimated \$0.03 per share expense from adoption of the new stock-based compensation accounting standard.
- The previously announced restructuring is expected to negatively impact revenue by approximately \$40 to \$50 million in the full fiscal year 2006, excluding continued expected revenue declines in Novell's legacy Workgroup businesses.
- Novell is targeting operating margins between 12% and 15% for fiscal year 2008.

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 5:00 PM ET December 1, 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 ET, December 14. 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 2116994.

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 Identity-driven computing and Linux and Platform 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 and resource management strategies, Novell's ability to take a competitive position in the Linux and identity and resource 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 Post-Effective Amendment No. 5 to Form S-3 filed with the Securities and Exchange Commission on October 14, 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) delivers Software for the Open Enterprise™. With more than 50,000 customers in 43 countries, Novell helps customers manage, simplify, secure and integrate their technology environments by leveraging best-of-breed, open standards-based software. With over 20 years of experience, more than 5,000 employees, 5,000 partners and support centers around the world, Novell helps customers gain control over their IT operating environment while reducing cost. More information about Novell can be found at <http://www.novell.com>.

Novell and SUSE are registered trademarks, and Software for the Open Enterprise 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 Ended	
	Oct 31, 2005	Oct 31, 2004	Oct 31, 2005	Oct 31, 2004
Net revenue				
Software licenses	\$ 78,111	\$ 61,994	\$ 213,803	\$ 234,037
Maintenance and services	242,192	238,663	983,893	931,880
Total net revenue	320,303	300,657	1,197,696	1,165,917
Cost of revenue				
Software licenses	7,630	6,857	21,600	23,478
Maintenance and services	100,088	103,548	421,519	392,201
Total cost of revenue	107,718	110,405	443,119	415,679
Gross profit	212,585	190,252	754,577	750,238
Operating expenses				
Sales and marketing	100,426	96,785	388,846	365,319
Product development	53,798	46,703	200,630	195,864
General and administrative	31,858	23,236	122,026	102,437
Restructuring expenses	37,951	8,916	59,106	22,903
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 expenses	224,033	175,640	321,939	684,546
Income (loss) from operations	(11,448)	14,612	432,638	65,692
Other income, net	11,756	248	33,504	9,282
Income before income taxes	308	14,860	466,142	74,974
Income tax expense	5,260	1,595	89,420	17,786
Net income (loss)	\$ (4,952)	\$ 13,265	\$ 376,722	\$ 57,188
Deemed dividend related to beneficial conversion feature of preferred stock	-	-	-	(25,680)
Preferred stock dividends	(91)	(125)	(466)	(416)
Allocation of earnings to preferred stockholders	-	-	(3,667)	(274)
Net income (loss) available to common stockholders - basic	\$ (5,043)	\$ 13,140	\$ 372,589	\$ 30,818
Net income (loss) available to common stockholders - diluted	\$ (5,043)	\$ 14,758	\$ 378,159	\$ 30,818
Net income (loss) per common share:				
Basic	\$ (0.01)	\$ 0.03	\$ 0.98	\$ 0.08
Diluted	\$ (0.01)	\$ 0.03	\$ 0.86	\$ 0.08
Weighted average shares:				
Basic	382,279	376,367	379,499	381,100
Diluted	382,279	438,317 *	440,585 *	390,879

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.

* Fiscal year 2005 and the fourth fiscal quarter 2004 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>Oct 31, 2005</u>	<u>Oct 31, 2004</u>
Current assets		
Cash and cash equivalents	\$ 818,738	\$ 434,404
Short-term investments	843,666	777,063
Receivables, net	293,627	269,431
Prepaid expenses	30,777	27,000
Other current assets	<u>29,745</u>	<u>28,846</u>
Total current assets	2,016,553	1,536,744
Property, plant and equipment, net	212,377	231,468
Long-term investments	54,340	55,986
Goodwill	395,509	391,088
Intangible assets, net	56,421	48,616
Deferred income taxes	1,384	-
Other assets	<u>25,274</u>	<u>29,456</u>
Total assets	<u>\$ 2,761,858</u>	<u>\$ 2,293,358</u>
 LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 45,445	\$ 55,956
Accrued compensation	113,760	126,612
Other accrued liabilities	131,105	98,983
Income taxes payable	56,869	37,077
Deferred revenue	<u>405,751</u>	<u>374,186</u>
Total current liabilities	752,930	692,814
Deferred income taxes	4,537	3,855
Senior convertible debentures	<u>600,000</u>	<u>600,000</u>
Total liabilities	1,357,467	1,296,669
Minority interests	8,555	8,325
Preferred stock	9,350	25,000
Stockholders' equity	<u>1,386,486</u>	<u>963,364</u>
Total liabilities and stockholders' equity	<u>\$ 2,761,858</u>	<u>\$ 2,293,358</u>

Certain reclassifications 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)

	<u>Fiscal Quarter Ended</u>		<u>Fiscal Year Ended</u>	
	<u>Oct 31, 2005</u>	<u>Oct 31, 2004</u>	<u>Oct 31, 2005</u>	<u>Oct 31, 2004</u>
Cash flows from operating activities:				
Net income (loss)	\$ (4,952)	\$ 13,265	\$ 376,722	\$ 57,188
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	13,953	14,536	56,261	53,482
Change in accounts receivable allowances	1,514	(3,154)	(7,838)	(4,923)
Income tax benefits related to stock plans	(2,367)	-	13,799	-
Utilization of previously reserved acquired net operating losses	-	-	29,600	-
(Gain) loss on sale of property, plant and equipment	-	328	(1,589)	(1,639)
Impairment of intangible assets	1,521	-	1,521	-
Impairment of investments	192	1,400	1,300	3,848
Acquired in-process research and development	-	-	480	-
Changes in current assets and liabilities, excluding the effect of acquisitions	48,392	25,128	30,158	11,250
Net cash provided by operating activities	58,253	51,503	500,414	119,206
Cash flows from financing activities:				
Issuance of common stock, net	6,073	10,178	22,108	58,162
Issuance of convertible preferred stock	-	-	-	50,000
Issuance of senior convertible debentures	-	-	-	600,000
Payment of issuance costs on senior convertible debentures	-	-	-	(14,850)
Payment of cash dividends on preferred stock	(216)	-	(591)	(292)
Repurchase of common stock, held in treasury	-	-	-	(125,000)
Net cash provided by financing activities	5,857	10,178	21,517	568,020
Cash flows from investing activities:				
Purchases of property, plant and equipment	(10,613)	(7,473)	(30,781)	(26,997)
Proceeds from the sale of property, plant and equipment	-	2,811	10,421	4,951
Long-term investment activity	1,633	(1,414)	281	(9,399)
Short-term investment activity	(228,162)	(199,981)	(74,370)	(393,495)
Cash paid for acquisition of Salmon, net of cash acquired	-	-	-	(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)	-
Purchase of intangible assets	-	-	(15,500)	-
Other	5,940	5,142	6,181	10,806
Net cash used in investing activities	(231,202)	(200,915)	(137,597)	(619,754)
Increase (decrease) in cash and cash equivalents	(167,092)	(139,234)	384,334	67,472
Cash and cash equivalents - beginning of period	985,830	573,638	434,404	366,932
Cash and cash equivalents - end of period	\$ 818,738	\$ 434,404	\$ 818,738	\$ 434,404

Certain reclassifications 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>Fiscal Quarter Ended</u>		<u>Fiscal Year Ended</u>	
	<u>Oct 31, 2005</u>	<u>Oct 31, 2004</u>	<u>Oct 31, 2005</u>	<u>Oct 31, 2004</u>
GAAP diluted net income (loss) available to common stockholders	\$ (5,043)	\$ 14,758	\$ 378,159	\$ 30,818
<i>Pre-income tax adjustments:</i>				
Microsoft settlement	-	-	(447,560)	-
Canopy settlement	-	-	-	(18,566)
Restructuring expenses	37,951	8,916	59,106	22,903
Gain on sale of property, plant and equipment	-	-	(1,589)	(1,977)
Impairment of intangible assets	1,521	-	1,521	-
Acquired in-process research and development	-	-	480	-
Integration costs	-	-	-	372
Impairment of investments	486	1,401	1,594	3,848
Sub-total	39,958	10,317	(386,448)	6,580
<i>Income tax adjustments:</i>				
Tax adjustments, net	(1,569)	-	(4,232)	(1,163)
Cumulative tax effect of the Microsoft settlement	(1,700)	-	70,560	-
<i>Diluted net income (loss) adjustments:</i>				
Debt interest expense	1,493	-	-	1,974
Preferred stock dividends	-	-	-	416
Preferred stock beneficial conversion feature	-	-	-	25,680
Allocation of earnings to preferred and minority stockholders	(391)	-	2,991	275
Non-GAAP diluted net income available to common stockholders	\$ 32,748	\$ 25,075	\$ 61,030	\$ 64,580
GAAP diluted net income (loss) per common share	\$ (0.01)	\$ 0.03	\$ 0.86	\$ 0.08
Adjustments detailed above	0.08	0.03	(0.72)	0.08
Non-GAAP diluted net income per common share	\$ 0.07	\$ 0.06	\$ 0.14	\$ 0.16
GAAP diluted weighted average shares	382,279	438,317	440,585	390,879
<i>Change in dilution from assumed:</i>				
Conversion of convertible debt	52,075	-	-	17,122
Conversion of preferred stock	-	-	-	3,388
Stock option exercises	8,304	-	-	-
Restricted stock and stock-based compensation changes	403	-	-	-
Non-GAAP diluted weighted average shares	443,061	438,317	440,585	411,389

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

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

	Fiscal Year						Fiscal Year			
	Q4 2004	%	2004	%	Q3 2005	%	Q4 2005	%	2005	%
Net revenue										
Software licenses	\$ 61,994	20.6	\$ 234,037	20.1	\$ 45,628	15.7	\$ 78,111	24.4	\$ 213,803	17.9
Maintenance and services	238,663	79.4	931,880	79.9	244,586	84.3	242,192	75.6	983,893	82.1
Total net revenue	300,657	100.0	1,165,917	100.0	290,214	100.0	320,303	100.0	1,197,696	100.0
Cost of revenue										
Software licenses	6,857	2.3	23,478	2.0	4,475	1.5	7,630	2.4	21,600	1.8
Maintenance and services	103,548	34.4	392,201	33.6	101,534	35.0	100,088	31.2	421,519	35.2
Total cost of revenue	110,405	36.7	415,679	35.7	106,009	36.5	107,718	33.6	443,119	37.0
Gross profit	190,252	63.3	750,238	64.3	184,205	63.5	212,585	66.4	754,577	63.0
Operating expenses										
Sales and marketing	96,785	32.2	365,319	31.3	93,464	32.2	100,426	31.4	388,846	32.5
Product development	46,703	15.5	195,864	16.8	48,655	16.8	53,798	16.8	200,630	16.8
General and administrative	23,236	7.7	102,437	8.8	31,788	11.0	31,858	9.9	122,026	10.2
Restructuring expenses	8,916	3.0	22,903	2.0	9,375	3.2	37,951	11.8	59,106	4.9
Acquired in-process research and development	-	-	-	-	-	-	-	-	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)	(37.4)
Total operating expenses	175,640	58.4	684,546	58.7	183,282	63.2	224,033	69.9	321,939	26.9
Income (loss) from operations	14,612	4.9	65,692	5.6	923	0.3	(11,448)	(3.6)	432,638	36.1
Other income										
Investment income	4,436	1.5	17,986	1.5	12,337	4.3	13,035	4.1	43,135	3.6
Other, net	(4,188)	(1.4)	(8,704)	(0.7)	(3,079)	(1.1)	(1,279)	(0.4)	(9,631)	(0.8)
Other income, net	248	0.1	9,282	0.8	9,258	3.2	11,756	3.7	33,504	2.8
Income before income taxes	14,860	4.9	74,974	6.4	10,181	3.5	308	0.1	466,142	38.9
Income tax expense	1,595	0.5	17,786	1.5	8,041	2.8	5,260	1.6	89,420	7.5
Net income (loss)	\$ 13,265	4.4	\$ 57,188	4.9	\$ 2,140	0.7	\$ (4,952)	(1.5)	\$ 376,722	31.5
Deemed dividend related to beneficial conversion feature of preferred stock	-	-	(25,680)	(2.2)	-	-	-	-	-	-
Preferred stock dividends	(125)	(0.0)	(416)	(0.0)	(125)	(0.0)	(91)	(0.0)	(466)	(0.0)
Allocation of earnings to preferred stockholders	-	-	(274)	(0.0)	(21)	(0.0)	-	-	(3,667)	(0.3)
Net income (loss) available to common stockholders - basic	\$ 13,140	4.4	\$ 30,818	2.6	\$ 1,994	0.7	\$ (5,043)	(1.6)	\$ 372,589	31.1
Net income (loss) available to common stockholders - diluted	\$ 14,758	4.9	\$ 30,818	2.6	\$ 1,910	0.7	\$ (5,043)	(1.6)	\$ 378,159	31.6
Net income (loss) per common share:										
Basic	\$ 0.03		\$ 0.08		\$ 0.01		\$ (0.01)		\$ 0.98	
Diluted	\$ 0.03		\$ 0.08		\$ 0.00		\$ (0.01)		\$ 0.86	
Weighted average shares:										
Basic	376,367		381,100		380,242		382,279		379,499	
Diluted	438,317		390,879		385,377		382,279		440,585	

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						Fiscal Year			
	Q4 2004	%	2004	%	Q3 2005	%	Q4 2005	%	2005	%
IT software and solutions										
Identity-driven computing										
Identity management and web services	\$ 28,288	9.4	\$ 101,531	8.7	\$ 27,397	9.4	\$ 33,608	10.5	\$ 113,582	9.5
Resource management	33,602	11.2	124,337	10.7	32,881	11.3	50,180	15.7	144,367	12.1
Total identity-driven computing	61,890	20.6	225,868	19.4	60,278	20.8	83,788	26.2	257,949	21.5
Cross platform services										
Linux and platform services	84,795	28.2	349,593	30.0	79,807	27.5	87,044	27.2	328,622	27.4
Collaboration and other products	32,101	10.7	123,544	10.6	27,171	9.4	33,597	10.5	116,524	9.7
Total cross platform services	116,897	38.9	473,137	40.6	106,978	36.9	120,641	37.7	445,146	37.2
Total software licenses and maintenance	178,787	59.5	699,005	60.0	167,256	57.6	204,429	63.8	703,095	58.7
Global services	82,689	27.5	304,848	26.1	85,126	29.3	83,189	26.0	336,128	28.1
Total IT software and solutions	261,476	87.0	1,003,853	86.1	252,382	87.0	287,618	89.8	1,039,223	86.8
Celerant consulting	39,181	13.0	162,064	13.9	37,832	13.0	32,685	10.2	158,473	13.2
Total net revenue by solution	\$ 300,657	100.0	\$ 1,165,917	100.0	\$ 290,214	100.0	\$ 320,303	100.0	\$ 1,197,696	100.0
Revenue by segment										
North America	\$ 132,824	44.2	\$ 514,477	44.1	\$ 129,886	44.8	\$ 134,629	42.0	\$ 513,497	42.9
EMEA	99,197	33.0	378,273	32.4	92,633	31.9	120,770	37.7	407,998	34.1
Asia Pacific	15,482	5.1	61,774	5.3	17,019	5.9	15,559	4.9	61,430	5.1
Latin America	5,336	1.8	21,026	1.8	5,590	1.9	7,546	2.4	23,701	2.0
Japan	8,637	2.9	28,304	2.4	7,254	2.5	9,114	2.8	32,597	2.7
Celerant Consulting	39,181	13.0	162,063	13.9	37,832	13.0	32,685	10.2	158,473	13.2
Total net revenue by segment	\$ 300,657	100.0	\$ 1,165,917	100.0	\$ 290,214	100.0	\$ 320,303	100.0	\$ 1,197,696	100.0
Linux platform revenue (included in above amounts)										
Open Enterprise Server	\$ -	-	\$ -	-	\$ 30,964	65.4	\$ 46,540	75.8	\$ 85,332	57.6
Other Linux platform revenue	11,848	100.0	39,168	100.0	16,352	34.6	14,827	24.2	62,766	42.4
Total Linux platform revenue	\$ 11,848	100.0	\$ 39,168	100.0	\$ 47,316	100.0	\$ 61,367	100.0	\$ 148,098	100.0

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

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

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

	Q4 2004	%	Fiscal Year 2004	%	Q3 2005	%	Q4 2005	%	Fiscal Year 2005	%
IT software and solutions										
Identity-driven computing										
Identity management and web services										
Software licenses	\$ 12,016	4.0	\$ 40,545	3.5	\$ 8,647	3.0	\$ 17,059	5.3	\$ 43,400	3.6
Maintenance and services	16,272	5.4	60,986	5.2	18,750	6.5	16,549	5.2	70,182	5.9
	<u>28,288</u>	<u>9.4</u>	<u>101,531</u>	<u>8.7</u>	<u>27,397</u>	<u>9.4</u>	<u>33,608</u>	<u>10.5</u>	<u>113,582</u>	<u>9.5</u>
Resource management										
Software licenses	11,242	3.7	40,505	3.5	8,195	2.8	24,225	7.6	46,529	3.9
Maintenance and services	22,360	7.4	83,832	7.2	24,686	8.5	25,955	8.1	97,838	8.2
	<u>33,602</u>	<u>11.2</u>	<u>124,337</u>	<u>10.7</u>	<u>32,881</u>	<u>11.3</u>	<u>50,180</u>	<u>15.7</u>	<u>144,367</u>	<u>12.1</u>
Cross platform services										
Linux and platform services										
Software licenses	25,457	8.5	107,698	9.2	20,667	7.1	24,844	7.8	87,207	7.3
Maintenance and services	59,338	19.7	241,895	20.7	59,140	20.4	62,200	19.4	241,415	20.2
	<u>84,795</u>	<u>28.2</u>	<u>349,593</u>	<u>30.0</u>	<u>79,807</u>	<u>27.5</u>	<u>87,044</u>	<u>27.2</u>	<u>328,622</u>	<u>27.4</u>
Collaboration and other products										
Software licenses	13,278	4.4	45,289	3.9	8,119	2.8	11,984	3.7	36,666	3.1
Maintenance and services	18,823	6.3	78,255	6.7	19,052	6.6	21,613	6.7	79,858	6.7
	<u>32,101</u>	<u>10.7</u>	<u>123,544</u>	<u>10.6</u>	<u>27,171</u>	<u>9.4</u>	<u>33,597</u>	<u>10.5</u>	<u>116,524</u>	<u>9.7</u>
Total software, licenses and maintenance										
Software licenses	61,994	20.6	234,037	20.1	45,628	15.7	78,111	24.4	213,803	17.9
Maintenance and services	116,793	38.8	464,968	39.9	121,628	41.9	126,318	39.4	489,292	40.9
	<u>178,787</u>	<u>59.5</u>	<u>699,005</u>	<u>60.0</u>	<u>167,256</u>	<u>57.6</u>	<u>204,429</u>	<u>63.8</u>	<u>703,095</u>	<u>58.7</u>
Global services	<u>82,689</u>	<u>27.5</u>	<u>304,848</u>	<u>26.1</u>	<u>85,126</u>	<u>29.3</u>	<u>83,189</u>	<u>26.0</u>	<u>336,128</u>	<u>28.1</u>
Total IT software and solutions										
Software licenses	61,994	20.6	234,037	20.1	45,628	15.7	78,111	24.4	213,803	17.9
Maintenance and services	199,483	66.3	769,816	66.0	206,754	71.2	209,507	65.4	825,420	68.9
	<u>261,476</u>	<u>87.0</u>	<u>1,003,853</u>	<u>86.1</u>	<u>252,382</u>	<u>87.0</u>	<u>287,618</u>	<u>89.8</u>	<u>1,039,223</u>	<u>86.8</u>
Celerant consulting	<u>39,181</u>	<u>13.0</u>	<u>162,064</u>	<u>13.9</u>	<u>37,832</u>	<u>13.0</u>	<u>32,685</u>	<u>10.2</u>	<u>158,473</u>	<u>13.2</u>
Total net revenue										
Software licenses	61,994	20.6	234,037	20.1	45,628	15.7	78,111	24.4	213,803	17.9
Maintenance and services	238,663	79.4	931,880	79.9	244,586	84.3	242,192	75.6	983,893	82.1
Total net revenue	<u>\$ 300,657</u>	<u>100.0</u>	<u>\$ 1,165,917</u>	<u>100.0</u>	<u>\$ 290,214</u>	<u>100.0</u>	<u>\$ 320,303</u>	<u>100.0</u>	<u>\$ 1,197,696</u>	<u>100.0</u>

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

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

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

Identity-Driven Computing

Identity Management and 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 and Platform Services

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

Collaboration and Other Products

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

Global Services

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

Linux Platform Revenue

- > *Open Enterprise Server*
- > *SUSE LINUX Enterprise Server*
- > *SUSE LINUX Professional*
- > *Novell Linux Desktop*
- > *ZENworks Linux Management (Red Carpet)*
- > *Technical Support Services (related to Linux Platform products)*