

FOR IMMEDIATE RELEASE
February 28, 2008

Novell Reports Financial Results for First Fiscal Quarter 2008

- *Product revenue grew 9% year-over-year*
- *Achieved non-GAAP operating margin of 10%*

WALTHAM, Mass. – February 28, 2008 - Novell, Inc. (NASDAQ:NOVL) today announced financial results for its first fiscal quarter ended January 31, 2008. For the quarter, Novell reported net revenue of \$231 million. This compares to net revenue of \$218 million for the first fiscal quarter 2007. Income from operations for the first fiscal quarter 2008 was \$8 million, compared to a loss from operations of \$21 million for the first fiscal quarter 2007. Income from continuing operations in the first fiscal quarter 2008 was \$15 million, or \$0.04 per share. This compares to a loss from continuing operations of \$12 million, or \$0.04 loss per share, for the first fiscal quarter 2007. Foreign currency exchange rates favorably impacted revenue and unfavorably impacted operating expenses by \$7 million and did not materially impact income from operations year-over-year.

On a non-GAAP basis, income from operations for the first fiscal quarter 2008 was \$24 million. This compares to non-GAAP loss from operations of \$1 million in the year-ago quarter. Non-GAAP income from continuing operations for the first fiscal quarter 2008 was \$29 million, or \$0.08 per share. This compares to non-GAAP income from continuing operations of \$3 million, or \$0.01 per share, for the first fiscal quarter 2007.

For the first fiscal quarter 2008, Novell reported \$30 million of revenue from Open Platform Solutions of which \$28 million was from Linux* Platform Products, up 65% year-over-year. Revenue from Identity and Security Management was \$32 million of which Identity and Access Management was \$28 million, up 15% year-over-year. Revenue from Systems and Resource Management was \$37 million, up 5% year-over-year. Workgroup revenue of \$90 million was up 1% year-over-year.

“We are very pleased with our results this quarter. We delivered product revenue growth across all business units and continued expense control this quarter,” said Ron Hovsepien, President and CEO of Novell. “These results are indicative that our strategic initiatives are yielding tangible results and that we are on the right path to achieve long-term, sustainable profitability.”

Cash, cash equivalents and short-term investments were \$1.8 billion at January 31, 2008, consistent with the year-ago quarter. Days sales outstanding in accounts receivable was 51 days at the end of the first fiscal quarter 2008, down from 57 days at the end of the year-ago quarter. Total deferred revenue was \$723 million at the end of the first fiscal quarter 2008, down from \$728 million at the end of the year-ago quarter. Cash flow from operations was a negative \$26 million for the first fiscal quarter 2008 which includes \$31 million in special interest and restructuring payments. This compares to cash flow from operations of \$348 million in the first fiscal quarter 2007 which includes the \$348 million payment from Microsoft and \$8 million in special interest payments.

Full details on Novell's reported results, including a reconciliation of the non-GAAP results, are included in the financial schedules that are a part of this release.

Financial Outlook

As a result of our acquisition of PlateSpin and our first fiscal quarter 2008 performance, Novell® management issues the following financial guidance:

For the full fiscal year 2008:

- Net revenue is expected to be between \$940 million and \$970 million exceeding previously stated guidance of between \$920 million and \$945 million.
- Non-GAAP operating margin is expected to be between 7% and 9%, excluding all acquisition-related intangible asset amortization.

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 February 28, 2008, 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 Novell Web site approximately two hours after its conclusion and will remain on the Web site until March 14, 2008. The call will also be available for telephone playback through midnight ET, March 14, 2008. 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 33480646.

A copy of this press release is posted on Novell's Web site at:

<http://www.novell.com/company/ir/qresults/>.

Non-GAAP Financial Measures

We supplement our consolidated unaudited condensed financial statements presented in accordance with GAAP with certain non-GAAP financial measures. These non-GAAP measures include adjusted income (loss) from operations, operating margin, income from continuing operations, net income, income per share from continuing operations and net income per share both of which are based on an adjusted number of diluted weighted average shares. We provide non-GAAP financial measures to enhance an overall understanding of our current financial performance and prospects for the future and enable investors to evaluate our performance in the same way that management does. Management uses these same non-GAAP financial measures to evaluate performance, allocate resources, and determine bonuses. The non-GAAP financial measures do not replace the presentation of our GAAP financial results, but they eliminate expenses and gains that are unusual, that are excluded from analysts' consensus estimates, and/or that arise outside of the ordinary course of business, such as, but not limited to, stock-based compensation expenses, restructuring expenses, asset impairments, litigation judgments and settlements, the write-off of acquired in-process research and development, and gains (losses) on the sale of business operations, long-term investments, and property, plant and equipment.

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” within the meaning of the Private Securities Litigation Reform Act, including those related to future financial and operating results, future opportunities, the benefits and synergies of the company's brands, strategies and acquisitions, and the growth of the market for Linux Platform Products, Identity and Access Management, and Systems and Resource Management. 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 completion of announced acquisitions, Novell's ability to transform its business through the implementation of its strategic plan, Novell's ability to realize the benefits anticipated from the Microsoft transaction and other transactions, Novell's ability to realize the benefits anticipated from its restructuring plan, and the expected charges to be incurred and payments to be made under the restructuring plan, Novell's ability to achieve its expense targets, Novell's success in executing its Linux Platform Products, Identity and Access Management, and Systems and Resource Management strategies, Novell's ability to take a competitive position in the Linux Platform Products, Identity and Access Management, and Systems 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, Novell's ability to integrate acquired

operations and employees, and the other factors described in Novell's Annual Report on Form 10-K filed with the Securities and Exchange Commission on December 21, 2007. 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 except as required by the securities laws.

About Novell

Novell, Inc. (Nasdaq: NOVL) delivers infrastructure software for the Open Enterprise. Novell is a leader in desktop to data center operating systems based on Linux and the software required to secure and manage mixed IT environments. Novell helps customers around the world minimize cost, complexity and risk, allowing them to focus on innovation and growth. For more information, visit www.novell.com.

* 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	
	Jan 31, 2008	Jan 31, 2007
Net revenue:		
Software licenses	\$ 40,431	\$ 38,553
Maintenance and subscriptions	149,183	134,671
Services (1)	41,312	45,162
Total net revenue	230,926	218,386
Cost of revenue:		
Software licenses	3,265	4,227
Maintenance and subscriptions	11,640	11,655
Services	43,634	48,565
Total cost of revenue	58,539	64,447
Gross profit	172,387	153,939
Operating expenses:		
Sales and marketing	86,605	90,101
Product development	46,058	46,467
General and administrative	26,876	24,883
Other operating expenses (2)	4,367	13,104
Total operating expenses	163,906	174,555
Income (loss) from operations	8,481	(20,616)
<i>Operating margin %</i>	3.7%	-9.4%
Other income, net	17,156	18,033
Income from continuing operations, before income taxes	25,637	(2,583)
Income tax expense	10,953	9,586
Income (loss) from continuing operations	14,684	(12,169)
Income (loss) from discontinued operations, before income taxes	1,285	(10,690)
Income tax benefit on discontinued operations	(836)	(2,914)
Income (loss) from discontinued operations	2,121	(7,776)
Net income (loss)	\$ 16,805	\$ (19,945)
Income (loss) per share:		
Continuing operations	\$ 0.04	\$ (0.04)
Net income (loss)	\$ 0.05	\$ (0.06)
Weighted average shares	353,047	345,522

(1) Services includes professional services, technical support and training services.

(2) See Page 8 of 11 for a detail of other operating expenses.

Reclassifications, none of which affected net income (loss), were made to prior period amounts in order to conform to the current period's presentation.

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

	<u>Jan 31, 2008</u>	<u>Oct 31, 2007</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,038,621	\$ 1,079,819
Short-term investments	728,788	777,818
Restricted cash	51,495	-
Receivables, net	133,606	208,318
Prepaid expenses	68,742	53,316
Other current assets	<u>32,263</u>	<u>35,065</u>
Total current assets	2,053,515	2,154,336
Property, plant and equipment, net	177,082	180,537
Long-term investments	58,643	37,304
Goodwill	399,581	404,612
Intangible assets, net	32,030	33,572
Deferred income taxes	22,027	14,518
Other assets	<u>28,660</u>	<u>29,515</u>
Total assets	<u>\$ 2,771,538</u>	<u>\$ 2,854,394</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 34,247	\$ 45,135
Accrued compensation	71,066	112,794
Other accrued liabilities	94,624	122,850
Income taxes payable	49,633	46,724
Deferred revenue	<u>463,605</u>	<u>494,615</u>
Total current liabilities	713,175	822,118
Deferred income taxes	-	884
Long-term deferred revenue	259,537	273,066
Senior convertible debentures	<u>600,000</u>	<u>600,000</u>
Total liabilities	1,572,712	1,696,068
Stockholders' equity	<u>1,198,826</u>	<u>1,158,326</u>
Total liabilities and stockholders' equity	<u>\$ 2,771,538</u>	<u>\$ 2,854,394</u>

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

	Fiscal Quarter Ended	
	Jan 31, 2008	Jan 31, 2007
Cash flows from operating activities		
Net income (loss)	\$ 16,805	\$ (19,945)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Stock-based compensation expense	10,767	6,499
Depreciation and amortization	9,000	11,164
Change in accounts receivable allowances	(363)	773
Utilization of previously reserved acquired net operating losses	5,002	2,471
Gain on long-term investments	-	(1,738)
Gain on sale of venture capital funds	-	(3,591)
(Gain) loss on discontinued operations, before taxes	(1,180)	10,848
Changes in current assets and liabilities, excluding the effect of acquisitions and dispositions	(66,317)	341,047
Net cash (used in) provided by operating activities	(26,286)	347,528
Cash flows from financing activities		
Issuance of common stock, net	2,582	7,385
Excess tax effects from stock-based compensation	9,680	1,986
Payment of cash dividends on Series B Preferred Stock	-	(5)
Net cash provided by financing activities	12,262	9,366
Cash flows from investing activities		
Purchases of property, plant and equipment	(5,859)	(4,958)
Short-term investment activity	34,518	132
Long-term investment activity	-	1,738
Cash restricted due to litigation	(51,495)	-
Cash divested as a result of Swiss-based consulting unit disposition	(3,417)	-
Proceeds from sale of venture capital funds	-	4,964
Cash paid for acquisition of RedMojo, net of cash acquired	-	(9,727)
Other	(921)	648
Net cash used in investing activities	(27,174)	(7,203)
Increase (decrease) in cash and cash equivalents	(41,198)	349,691
Cash and cash equivalents - beginning of period	1,079,819	675,787
Cash and cash equivalents - end of period	\$ 1,038,621	\$ 1,025,478

Novell, Inc.
Unaudited Non-GAAP Adjusted Income From Operations
(In thousands, except per share data)

	Fiscal Quarter Ended	
	Jan 31, 2008	Jan 31, 2007
GAAP income (loss) from operations	\$ 8,481	\$ (20,616)
<i>Stock-based compensation expense adjustments:</i>		
Cost of revenue	1,308	1,047
Sales and marketing	3,417	1,860
Product development	3,004	2,151
General and administrative	3,038	1,441
Sub-total	<u>10,767</u>	<u>6,499</u>
<i>Other operating expenses (income) adjustments:</i>		
Restructuring expenses	4,367	7,344
Litigation-related income	-	(543)
Stock-based compensation review expenses	-	6,303
Sub-total	<u>4,367</u>	<u>13,104</u>
Total operating adjustments	15,134	19,603
Non-GAAP income (loss) from operations	\$ 23,615	\$ (1,013)
Operating margin %	10.2%	-0.5%

Novell, Inc.
Unaudited Non-GAAP Adjusted Net Income
(In thousands, except per share data)

	Fiscal Quarter Ended	
	Jan 31, 2008	Jan 31, 2007
GAAP net income (loss)	\$ 16,805	\$ (19,945)
Operating adjustments (detailed above)	15,134	19,603
<i>Non-operating expenses (income) adjustments:</i>		
Gain on sale of venture capital funds	-	(3,591)
Gain on long-term investments	-	(1,738)
Sub-total	<u>-</u>	<u>(5,329)</u>
Total pre-tax adjustments	15,134	14,274
Income tax adjustments	(537)	1,106
Income (loss) from discontinued operations, net of taxes	<u>(2,121)</u>	<u>7,776</u>
Total net adjustments	12,476	23,156
Non-GAAP net income and non-GAAP income from continuing operations	\$ 29,281	\$ 3,211
GAAP net income (loss) per share	\$ 0.05	\$ (0.06)
Total adjustments detailed above	<u>0.03</u>	<u>0.07</u>
Non-GAAP net income per share and non-GAAP income from continuing operations per share	\$ 0.08	\$ 0.01
GAAP weighted average shares	353,047	345,522
Assumed dilution from stock option exercises	<u>3,022</u>	<u>4,228</u>
Non-GAAP weighted average shares	356,069	349,750

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

Novell, Inc.
Consolidated Unaudited Condensed Segment Results
(in thousands, except per share data)

Fiscal Quarter Ended January 31, 2008

	Open Platform		Identity and Security		Systems and Resource			Common		Total	%
	Solutions	%	Management	%	Management	%	Workgroup	%	Unallocated		
Net revenue:											
Software licenses	\$ -	-	\$ 12,618	26.8	\$ 8,171	18.9	\$ 19,642	18.9	\$ -	\$ 40,431	17.5
Maintenance and subscriptions	30,046	81.6	19,710	41.9	28,866	66.6	70,561	68.0	-	149,183	64.6
Services	6,753	18.4	14,702	31.3	6,302	14.5	13,555	13.1	-	41,312	17.9
Total net revenue	36,799	100.0	47,030	100.0	43,339	100.0	103,758	100.0	-	230,926	100.0
Cost of revenue:											
Software licenses	-	-	1,360	2.9	908	2.1	969	0.9	28	3,265	1.4
Maintenance and subscriptions	2,723	7.4	2,125	4.5	3,209	7.4	3,480	3.4	103	11,640	5.0
Services	8,769	23.8	16,207	34.5	4,503	10.4	12,978	12.5	1,177	43,634	18.9
Total cost of revenue	11,492	31.2	19,692	41.9	8,620	19.9	17,427	16.8	1,308	58,539	25.3
Gross profit	25,307	68.8	27,338	58.1	34,719	80.1	86,331	83.2	(1,308)	172,387	74.7
Operating expenses:											
Sales and marketing	-	-	-	-	-	-	-	-	86,605	86,605	37.5
Product development	14,280	38.8	11,681	24.8	8,281	19.1	8,812	8.5	3,004	46,058	19.9
General and administrative	-	-	-	-	-	-	-	-	26,876	26,876	11.6
Other operating expenses	-	-	-	-	-	-	-	-	4,367	4,367	1.9
Total operating expenses	14,280	38.8	11,681	24.8	8,281	19.1	8,812	8.5	120,852	163,906	71.0
Income (loss) from operations	\$ 11,027	30.0	\$ 15,657	33.3	\$ 26,438	61.0	\$ 77,519	74.7	\$ (122,160)	\$ 8,481	3.7

Fiscal Quarter Ended October 31, 2007

	Open Platform		Identity and Security		Systems and Resource			Common		Total	%
	Solutions	%	Management	%	Management	%	Workgroup	%	Unallocated		
Net revenue:											
Software licenses	\$ -	-	\$ 14,896	27.2	\$ 10,398	22.8	\$ 25,743	23.0	\$ -	\$ 51,037	20.8
Maintenance and subscriptions	26,272	80.2	20,191	36.9	28,744	63.0	71,901	64.3	-	147,108	60.1
Services	6,490	19.8	19,635	35.9	6,508	14.3	14,158	12.7	-	46,791	19.1
Total net revenue	32,762	100.0	54,722	100.0	45,650	100.0	111,802	100.0	-	244,936	100.0
Cost of revenue:											
Software licenses	-	-	2,781	5.1	1,271	2.8	1,653	1.5	-	5,705	2.3
Maintenance and subscriptions	2,412	7.4	3,301	6.0	3,107	6.8	3,981	3.6	48	12,849	5.2
Services	7,607	23.2	18,917	34.6	4,381	9.6	14,119	12.6	1,136	46,160	18.8
Total cost of revenue	10,019	30.6	24,999	45.7	8,759	19.2	19,753	17.7	1,184	64,714	26.4
Gross profit	22,743	69.4	29,723	54.3	36,891	80.8	92,049	82.3	(1,184)	180,222	73.6
Operating expenses:											
Sales and marketing	-	-	-	-	-	-	-	-	84,327	84,327	34.4
Product development	13,927	42.5	15,134	27.7	10,576	23.2	12,902	11.5	2,595	55,134	22.5
General and administrative	-	-	-	-	-	-	-	-	29,527	29,527	12.1
Other operating expenses	-	-	-	-	-	-	-	-	24,525	24,525	10.0
Total operating expenses	13,927	42.5	15,134	27.7	10,576	23.2	12,902	11.5	140,974	193,513	79.0
Income (loss) from operations	\$ 8,816	26.9	\$ 14,589	26.7	\$ 26,315	57.6	\$ 79,147	70.8	\$ (142,158)	\$ (13,291)	(5.4)

Fiscal Quarter Ended January 31, 2007

	Open Platform		Identity and Security		Systems and Resource			Common		Total	%
	Solutions	%	Management	%	Management	%	Workgroup	%	Unallocated		
Net revenue:											
Software licenses	\$ 194	0.8	\$ 11,559	24.3	\$ 7,502	17.7	\$ 19,298	18.4	\$ -	\$ 38,553	17.7
Maintenance and subscriptions	18,660	79.0	18,045	37.9	27,655	65.4	70,311	67.0	-	134,671	61.7
Services	4,774	20.2	17,947	37.7	7,136	16.9	15,305	14.6	-	45,162	20.7
Total net revenue	23,628	100.0	47,551	100.0	42,293	100.0	104,914	100.0	-	218,386	100.0
Cost of revenue:											
Software licenses	25	0.1	2,229	4.7	777	1.8	1,177	1.1	19	4,227	1.9
Maintenance and subscriptions	2,184	9.2	2,906	6.1	2,586	6.1	3,945	3.8	34	11,655	5.3
Services	6,282	26.6	20,478	43.1	5,304	12.5	15,507	14.8	994	48,565	22.2
Total cost of revenue	8,491	35.9	25,613	53.9	8,667	20.5	20,629	19.7	1,047	64,447	29.5
Gross profit	15,137	64.1	21,938	46.1	33,626	79.5	84,285	80.3	(1,047)	153,939	70.5
Operating expenses:											
Sales and marketing	-	-	-	-	-	-	-	-	90,101	90,101	41.3
Product development	11,814	50.0	14,347	30.2	6,953	16.4	11,202	10.7	2,151	46,467	21.3
General and administrative	-	-	-	-	-	-	-	-	24,883	24,883	11.4
Other operating expenses	-	-	-	-	-	-	-	-	13,104	13,104	6.0
Total operating expenses	11,814	50.0	14,347	30.2	6,953	16.4	11,202	10.7	130,239	174,555	79.9
Income (loss) from operations	\$ 3,323	14.1	\$ 7,591	16.0	\$ 26,673	63.1	\$ 73,083	69.7	\$ (131,286)	\$ (20,616)	(9.4)

Reclassifications, none of which affected net income (loss), were made to the prior period amounts in order to conform to the current period's presentation.

Novell, Inc.
Unaudited Trended Segment Revenue by Software Licenses and Maintenance and Services
(In thousands)

	Q1 2007		Q4 2007		Fiscal Year 2007		Q1 2008		Change from				
		%		%		%		%	Q1 2008 to Q4 2007		Q1 2008 to Q1 2007		
Open platform solutions													
Linux platform products													
Software licenses	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-
Maintenance and subscriptions	16,881	7.7	25,122	10.3	87,391	9.4	27,890	12.1	2,768	11.0	11,009	65.2	
	<u>16,881</u>	<u>7.7</u>	<u>25,122</u>	<u>10.3</u>	<u>87,391</u>	<u>9.4</u>	<u>27,890</u>	<u>12.1</u>	<u>2,768</u>	<u>11.0</u>	<u>11,009</u>	<u>65.2</u>	
Other open platform products													
Software licenses	194	0.1	-	-	197	0.0	-	-	-	-	(194)	(100.0)	
Maintenance and subscriptions	1,779	0.8	1,150	0.5	6,453	0.7	2,156	0.9	1,006	87.5	377	21.2	
	<u>1,973</u>	<u>0.9</u>	<u>1,150</u>	<u>0.5</u>	<u>6,650</u>	<u>0.7</u>	<u>2,156</u>	<u>0.9</u>	<u>1,006</u>	<u>87.5</u>	<u>183</u>	<u>9.3</u>	
Total open platform solutions	18,854	8.6	26,272	10.7	94,041	10.1	30,046	13.0	3,774	14.4	11,192	59.4	
Identity and security management													
Identity and access management													
Software licenses	10,371	4.7	14,289	5.8	46,349	5.0	11,866	5.1	(2,423)	(17.0)	1,495	14.4	
Maintenance and subscriptions	14,410	6.6	17,034	7.0	61,520	6.6	16,613	7.2	(421)	(2.5)	2,203	15.3	
	<u>24,781</u>	<u>11.3</u>	<u>31,323</u>	<u>12.8</u>	<u>107,869</u>	<u>11.6</u>	<u>28,479</u>	<u>12.3</u>	<u>(2,844)</u>	<u>(9.1)</u>	<u>3,698</u>	<u>14.9</u>	
Other identity and security management													
Software licenses	1,188	0.5	607	0.2	4,157	0.4	752	0.3	145	23.9	(436)	(36.7)	
Maintenance and subscriptions	3,635	1.7	3,157	1.3	13,657	1.5	3,097	1.3	(60)	(1.9)	(538)	(14.8)	
	<u>4,823</u>	<u>2.2</u>	<u>3,764</u>	<u>1.5</u>	<u>17,814</u>	<u>1.9</u>	<u>3,849</u>	<u>1.7</u>	<u>85</u>	<u>2.3</u>	<u>(974)</u>	<u>(20.2)</u>	
Total identity and security management	29,604	13.6	35,087	14.3	125,683	13.5	32,328	14.0	(2,759)	(7.9)	2,724	9.2	
Systems and resource management													
Software licenses	7,502	3.4	10,398	4.2	35,234	3.8	8,171	3.5	(2,227)	(21.4)	669	8.9	
Maintenance and subscriptions	27,655	12.7	28,744	11.7	112,510	12.1	28,866	12.5	122	0.4	1,211	4.4	
Total systems and resource management	35,157	16.1	39,142	16.0	147,744	15.8	37,037	16.0	(2,105)	(5.4)	1,880	5.3	
Workgroup													
Open Enterprise Server													
Software licenses	8,317	3.8	10,565	4.3	37,820	4.1	8,324	3.6	(2,241)	(21.2)	7	0.1	
Maintenance and subscriptions	40,682	18.6	40,369	16.5	161,435	17.3	40,298	17.5	(71)	(0.2)	(384)	(0.9)	
	<u>48,999</u>	<u>22.4</u>	<u>50,934</u>	<u>20.8</u>	<u>199,255</u>	<u>21.4</u>	<u>48,622</u>	<u>21.1</u>	<u>(2,312)</u>	<u>(4.5)</u>	<u>(377)</u>	<u>(0.8)</u>	
NetWare and other NetWare-related													
Software licenses	5,017	2.3	4,588	1.9	18,972	2.0	3,943	1.7	(645)	(14.1)	(1,074)	(21.4)	
Maintenance and subscriptions	2,195	1.0	1,553	0.6	6,810	0.7	1,558	0.7	5	0.3	(637)	(29.0)	
	<u>7,212</u>	<u>3.3</u>	<u>6,141</u>	<u>2.5</u>	<u>25,782</u>	<u>2.8</u>	<u>5,501</u>	<u>2.4</u>	<u>(640)</u>	<u>(10.4)</u>	<u>(1,711)</u>	<u>(23.7)</u>	
Collaboration													
Software licenses	5,265	2.4	7,986	3.3	27,116	2.9	6,574	2.8	(1,412)	(17.7)	1,309	24.9	
Maintenance and subscriptions	19,639	9.0	20,434	8.3	79,628	8.5	20,786	9.0	352	1.7	1,147	5.8	
	<u>24,904</u>	<u>11.4</u>	<u>28,420</u>	<u>11.6</u>	<u>106,744</u>	<u>11.4</u>	<u>27,360</u>	<u>11.8</u>	<u>(1,060)</u>	<u>(3.7)</u>	<u>2,456</u>	<u>9.9</u>	
Other workgroup													
Software licenses	699	0.3	2,604	1.1	6,262	0.7	801	0.3	(1,803)	(69.2)	102	14.6	
Maintenance and subscriptions	7,795	3.6	9,545	3.9	34,950	3.7	7,919	3.4	(1,626)	(17.0)	124	1.6	
	<u>8,494</u>	<u>3.9</u>	<u>12,149</u>	<u>5.0</u>	<u>41,212</u>	<u>4.4</u>	<u>8,720</u>	<u>3.8</u>	<u>(3,429)</u>	<u>(28.2)</u>	<u>226</u>	<u>2.7</u>	
Total workgroup	89,609	41.0	97,644	39.9	372,993	40.0	90,203	39.1	(7,441)	(7.6)	594	0.7	
Total software licenses, maintenance and subscriptions													
Software licenses	38,553	17.7	51,037	20.8	176,107	18.9	40,431	17.5	(10,606)	(20.8)	1,878	4.9	
Maintenance and subscriptions	134,671	61.7	147,108	60.1	564,354	60.5	149,183	64.6	2,075	1.4	14,512	10.8	
Total product revenue	173,224	79.3	198,145	80.9	740,461	79.4	189,614	82.1	(8,531)	(4.3)	16,390	9.4	
Services	45,162	20.7	46,791	19.1	192,038	20.6	41,312	17.9	(5,479)	(11.7)	(3,850)	(8.5)	
Total net revenue	\$ 218,386	100.0	\$ 244,936	100.0	\$ 932,499	100.0	\$ 230,926	100.0	\$ (14,010)	(5.7)	\$ 12,540	5.7	

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

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

Open Platform Solutions

Linux Platform Products

- > SUSE LINUX Enterprise Server
- > SUSE LINUX Enterprise Desktop

Other Open Platform Products

- > openSUSE
- > SUSE Engineering

Identity and Security Management

Identity and Access Management

- > Identity Manager
- > SecureLogin
- > Access Manager
- > Sentinel

Other Identity and Security Management

- > Web Services
- > eDirectory

Systems and Resource Management

- > ZENworks Suite
- > ZENworks Patch Management
- > ZENworks Asset Management
- > ZENworks Linux Management
- > ZENworks Configuration Management

Workgroup

Open Enterprise Server

- > Open Enterprise Server

NetWare and Other NetWare-Related

- > NetWare
- > Cluster Services

Collaboration

- > GroupWise

Other Workgroup

- > BorderManager

Services

- > Professional Services
- > Technical Support Services
- > Training Services