

FOR IMMEDIATE RELEASE

August 27, 2009

Novell Reports Financial Results for Third Fiscal Quarter 2009

•Operating margin continues to improve year-over-year

WALTHAM, Mass. – August 27, 2009 - Novell, Inc. (NASDAQ: NOVL) today announced financial results for its third fiscal quarter ended July 31, 2009. For the quarter, Novell reported net revenue of \$216 million. This compares to net revenue of \$245 million for the third fiscal quarter of 2008.

GAAP income from operations for the third fiscal quarter of 2009 was \$21 million, compared to GAAP income from operations of \$1 million for the third fiscal quarter of 2008. GAAP net income in the third fiscal quarter of 2009 was \$17 million, or \$0.05 per share. This compares to GAAP net loss of \$15 million, or \$0.04 loss per share, for the third fiscal quarter of 2008. In the third fiscal quarter of 2009, foreign currency exchange rates negatively impacted net revenue by \$6 million and favorably impacted operating expenses by \$8 million and income from operations by \$2 million compared to the same period last year.

On a non-GAAP basis, income from operations for the third fiscal quarter of 2009 was \$33 million. This compares to non-GAAP income from operations of \$24 million in the year-ago quarter. Non-GAAP net income for the third fiscal quarter of 2009 was \$25 million, or \$0.07 per share. This compares to non-GAAP net income of \$18 million, or \$0.05 per share, for the third fiscal quarter of 2008. A reconciliation of GAAP to non-GAAP results is provided in the financial schedules as part of this press release. An explanation of these measures is also included below under the heading “Non-GAAP Financial Measures.”

Novell reported \$40 million of product revenue from Open Platform Solutions, of which \$38 million was from Linux Platform Products, up 22% compared to the product revenue from Linux Platform Products from the same period last year. Product revenue from Identity and Security Management was \$30 million, of which Identity, Access and Compliance Management was \$28 million, down 16% compared to the product revenue from Identity, Access and Compliance Management from the same period last year. Product revenue from Systems and Resource Management was \$40 million, down 15% compared to the same period last year. Workgroup product revenue of \$81 million decreased 12% compared to the same period last year.

“Operating margin continued to expand year-over-year due to diligent expense management, however revenue performance was similar to many companies in the software industry,” said Ron Hovsepien, President and CEO of Novell. “We remain focused on delivering strong operating margins even as we continue to invest to generate long-term revenue growth.”

Cash, cash equivalents and short-term investments were \$921 million at July 31, 2009, down from \$1 billion last quarter due primarily to the retirement of our outstanding convertible debentures. Days sales outstanding in accounts receivable was 71 days at the end of the third fiscal quarter of 2009, improved from 78 days at the end of the year-ago quarter. Total deferred revenue was \$674 million at the end of the third fiscal quarter of 2009, down from \$726 million at the end of the year-ago quarter. For the third fiscal quarter of 2009, cash flow from operations was \$35 million. This compares to cash flow from operations of \$29 million in the third fiscal quarter of 2008.

Further details on Novell's reported results are included in the financial schedules that are a part of this release.

Financial Outlook

Novell management remains committed to long-term sustainable profitability. Novell management expects to maintain double-digit non-GAAP operating margins in the full fiscal year 2009, barring unforeseen circumstances.

Conference Call Notification and Web Access Detail

A one-hour conference call with Novell management to discuss the quarter will be broadcast at 5:00 PM ET on August 27, 2009. The conference call will be available live as a listen-only webcast from Novell's Investor Relations web page at: www.novell.com/company/ir/qresults. The domestic toll-free dial-in number is 866-335-5255, password "Novell." The international dial-in number is +1-706-679-2263, password "Novell."

Following the live event, an archived version of the webcast will be available for twelve months on the Novell Investor Relations web page at: www.novell.com/company/ir/qresults.

A copy of this press release is posted on the Novell Investor Relations web page at: 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 from operations, adjusted operating margin, adjusted income from continuing operations, adjusted net income, adjusted income per share from continuing operations and adjusted net income per share. We provide non-GAAP financial measures to enhance an overall understanding of our current financial

performance and prospects for the future and to 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 compensation. The non-GAAP financial measures do not replace the presentation of our GAAP financial results, but they eliminate expenses and gains that are excluded from most analysts' consensus estimates, that are unusual, and/or that arise outside of the ordinary course of business, such as, but not limited to, those related to stock-based compensation, acquisition-related intangible asset amortization, restructuring, asset impairments, litigation judgments and settlements, purchased in-process research and development, and the sale of business operations, long-term investments, and property, plant and equipment.

We also present a projection of our non-GAAP operating margin. This projection is a forward-looking, non-GAAP financial measure. The corresponding GAAP financial measure of operating margin is not available and cannot be provided without undue effort because we are unable to accurately forecast information regarding expenses or gains such as, but not limited to, those listed above. We believe that the corresponding GAAP financial measure is not likely to be significant to an understanding of our business because there is likely to be substantial variability between projected and actual realization of the expenses and gains described above and/or that such expenses or gains are likely to arise outside of the ordinary course of business.

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, targets, and prospects; future opportunities; expansion of operating margins; progress of growth businesses; profitability; the macroeconomic environment; customer priorities; timing of realization of projections; functionality, characteristics, quality and performance capabilities of Novell's products and technology; and results achievable and benefits attainable through deployment of Novell's products and provision of services. Actual results may differ materially from the results discussed in or implied by such forward-looking statements, which are based upon information that is currently available to us and/or management's current expectations, speak only as of the date hereof, and are subject to a number of factors, including, but not limited to: difficulties, delays or unexpected costs in completing our cost reduction and sales growth strategic initiatives; our ability to attract and retain new customers through our indirect sales strategy; our reliance on an indirect sales channel for the distribution of products; our ability to renew SLES subscriptions with those customers who have received SLES certificates from Microsoft; an accelerated decline in our OES and NetWare-related revenue stream; the ability of our Open Platform Solutions, Identity and Security Management, and Systems and Resource Management

business unit segments to grow at expected rates; our ability to successfully integrate acquired companies; our ability to compete in markets for infrastructure software services; our ability to meet customer demand for technical support services; our ability to maintain a strong brand; delays in the introduction of new products; increased foreign research and development operations; reliance on software licensed from third parties; our ability to attract and retain talented employees; claims that we have infringed the intellectual property rights of others; adverse results in legal disputes; our ability to protect our confidential information; impairment of goodwill or amortizable intangible assets causing a charge to earnings; exposure to increased economic and regulatory uncertainties from operating a global business; cancellations or reductions in the scope of our engagements with professional services clients; and uncertain economic conditions and reductions in IT spending.

A detailed discussion of these and other factors that could affect our results is included in our SEC filings, including, but not limited to, our Annual Report on Form 10-K for the Fiscal Year Ended October 31, 2008 filed with the SEC on December 23, 2008, which may be obtained by calling (800) 317- 3195, or at our Investor Relations web site at <http://www.novell.com/company/ir>.

We expressly disclaim any obligation, except as required by law, or undertaking to update or revise any forward-looking statements contained in this press release to reflect any change of expectations with regard thereto or to reflect any change in events, conditions, or circumstances on which any such forward-looking statement is based, in whole or in part.

About Novell

Novell, Inc. (NASDAQ: NOVL) delivers an interoperable Linux* platform and a portfolio of integrated IT management software designed to help customers around the world reduce cost, complexity and risk. With our infrastructure software and ecosystem of partnerships, Novell harmoniously integrates mixed IT environments, allowing people and technology to work as one. For more information, visit www.novell.com.

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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, 2009	Jul 31, 2008	Jul 31, 2009	Jul 31, 2008
Net revenue:				
Software licenses	\$ 27,020	\$ 53,003	\$ 85,537	\$ 137,621
Maintenance and subscriptions	163,699	155,898	480,843	456,837
Services (1)	25,365	36,284	80,170	117,319
Total net revenue	216,084	245,185	646,550	711,777
Cost of revenue:				
Software licenses	2,770	5,312	7,676	12,439
Maintenance and subscriptions	13,672	13,301	38,916	36,249
Services	30,541	40,975	92,570	129,308
Total cost of revenue	46,983	59,588	139,162	177,996
Gross profit	169,101	185,597	507,388	533,781
Operating expenses:				
Sales and marketing	74,647	95,950	227,238	277,861
Product development	45,683	50,082	135,627	141,092
General and administrative	25,997	27,463	75,224	83,709
Other operating expenses (2)	1,400	11,131	16,657	20,000
Total operating expenses	147,727	184,626	454,746	522,662
Income from operations	21,374	971	52,642	11,119
<i>Operating margin %</i>	<i>9.9%</i>	<i>0.4%</i>	<i>8.1%</i>	<i>1.6%</i>
Other income, net:				
Interest income, net	2,944	7,384	12,067	33,807
Other	(3,810)	(16,160)	(10,365)	(7,575)
Total other income, net	(866)	(8,776)	1,702	26,232
Income (loss) from continuing operations before taxes	20,508	(7,805)	54,344	37,351
Income tax expense	4,151	7,320	13,295	31,926
Income (loss) from continuing operations	16,357	(15,125)	41,049	5,425
Income from discontinued operations before taxes	302	-	1,904	1,285
Income tax benefit on discontinued operations	-	-	-	(836)
Income from discontinued operations	302	-	1,904	2,121
Net income (loss)	\$ 16,659	\$ (15,125)	\$ 42,953	\$ 7,546
Diluted earnings per share:				
Continuing operations	\$ 0.05	\$ (0.04)	\$ 0.12	\$ 0.02
Net income (loss)	\$ 0.05	\$ (0.04)	\$ 0.12	\$ 0.02
Weighted average shares	346,660	351,878	346,120	353,290

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

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

Revisions 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>Jul 31, 2009</u>	<u>Oct 31, 2008</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 536,864	\$ 680,034
Short-term investments	384,632	387,813
Restricted cash	53,008	52,701
Receivables, net	169,638	193,088
Prepaid expenses	35,343	34,365
Current deferred tax assets	4,943	5,685
Other current assets	<u>23,921</u>	<u>32,006</u>
Total current assets	1,208,349	1,385,692
Property, plant and equipment, net	171,266	174,978
Long-term investments	8,543	14,972
Goodwill	626,404	582,117
Intangible assets, net	50,516	53,320
Deferred income taxes	29,479	36,244
Other assets	<u>20,801</u>	<u>22,026</u>
Total assets	<u>\$ 2,115,358</u>	<u>\$ 2,269,349</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 30,695	\$ 36,982
Accrued compensation	94,029	102,317
Other accrued liabilities	85,952	108,929
Income taxes payable	3,583	22,563
Senior convertible debentures	-	125,668
Deferred revenue	<u>476,221</u>	<u>503,174</u>
Total current liabilities	690,480	899,633
Deferred income taxes	14,374	11,725
Other long-term liabilities	39,628	43,587
Long-term deferred revenue	<u>198,103</u>	<u>226,876</u>
Total liabilities	942,585	1,181,821
Stockholders' equity	<u>1,172,773</u>	<u>1,087,528</u>
Total liabilities and stockholders' equity	<u>\$ 2,115,358</u>	<u>\$ 2,269,349</u>

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

	Fiscal Quarter Ended		Fiscal Year-to-Date	
	Jul 31, 2009	Jul 31, 2008	Jul 31, 2009	Jul 31, 2008
Cash flows from operating activities				
Net income (loss)	\$ 16,659	\$ (15,125)	\$ 42,953	\$ 7,546
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Stock-based compensation expense	6,476	7,593	20,198	25,370
Depreciation and amortization	9,545	11,980	31,018	30,827
Change in accounts receivable allowances	(705)	(250)	(364)	421
Utilization of previously reserved acquired net operating losses	455	1	455	5,026
Purchased in-process research and development	-	-	-	2,700
Loss (gain) on debenture repurchases	57	(139)	(11)	(544)
Gain on discontinued operations, before taxes	(302)	-	(1,904)	(1,180)
Impairment of investments	2,370	14,738	5,466	14,738
Gain on sale of previously impaired long-term investments	-	-	-	(250)
Loss (gain) on sale of subsidiaries	-	3,811	(16)	3,811
IT outsourcing transition costs	173	-	173	-
Changes in current assets and liabilities, excluding the effect of acquisitions and dispositions	(205)	6,002	(76,900)	(107,295)
Net cash provided by (used in) operating activities	34,523	28,611	21,068	(18,830)
Cash flows from investing activities				
Purchases of property, plant and equipment	(8,181)	(12,201)	(14,763)	(28,523)
Short-term investment activity	(121)	33,820	10,299	359,260
Long-term investment activity	2,173	7,215	3,909	21,738
Change in restricted cash	(47)	(286)	(307)	(52,410)
Net cash proceeds (distributions) from sale of discontinued operations	-	-	1,036	(909)
Net distributions from subsidiary sales	-	(6,427)	-	(6,427)
Cash paid for acquisitions, net of cash acquired	-	920	(48,472)	(219,553)
Purchases of intangible assets	-	(6,000)	-	(6,000)
Other	8,657	1,138	10,031	3,365
Net cash provided by (used in) investing activities	2,481	18,179	(38,267)	70,541
Cash flows from financing activities				
Issuance of common stock	1,773	2,366	2,925	12,618
Excess tax benefits from stock-based compensation	-	(7,186)	(2,788)	16,809
Common stock repurchases/retirements	-	(44,663)	-	(44,663)
Debt repayment	(193)	-	(571)	-
Debenture repurchases	(121,668)	(26,868)	(125,537)	(142,457)
Net cash used in financing activities	(120,088)	(76,351)	(125,971)	(157,693)
Decrease in cash and cash equivalents	(83,084)	(29,561)	(143,170)	(105,982)
Cash and cash equivalents - beginning of period	619,948	1,003,398	680,034	1,079,819
Cash and cash equivalents - end of period	\$ 536,864	\$ 973,837	\$ 536,864	\$ 973,837

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

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

	Fiscal Quarter Ended		Fiscal Year-to-Date	
	Jul 31, 2009	Jul 31, 2008	Jul 31, 2009	Jul 31, 2008
GAAP income from operations	\$ 21,374	\$ 971	\$ 52,642	\$ 11,119
Adjustments:				
<i>Stock-based compensation expense:</i>				
Cost of revenue	554	871	2,137	2,695
Sales and marketing	1,243	1,953	5,356	7,400
Product development	2,817	2,543	7,611	7,900
General and administrative	1,862	2,226	5,094	7,375
Sub-total	<u>6,476</u>	<u>7,593</u>	<u>20,198</u>	<u>25,370</u>
<i>Acquisition-related intangible asset amortization:</i>				
Cost of revenue	2,398	3,184	7,886	6,035
Sales and marketing	1,478	1,341	4,590	2,429
Sub-total	<u>3,876</u>	<u>4,525</u>	<u>12,476</u>	<u>8,464</u>
<i>Other operating expenses (income):</i>				
Restructuring expenses	1,227	6,570	16,500	11,329
IT outsourcing transition costs	173	-	173	-
Litigation-related expense	-	750	-	750
Purchased in-process research and development	-	-	-	2,700
Acquisition integration costs	-	-	-	1,410
Loss (gain) on sale of subsidiaries	-	3,811	(16)	3,811
Sub-total	<u>1,400</u>	<u>11,131</u>	<u>16,657</u>	<u>20,000</u>
Total operating adjustments	11,752	23,249	49,331	53,834
Non-GAAP income from operations	\$ 33,126	\$ 24,220	\$ 101,973	\$ 64,953
<i>Operating margin %</i>	15.3%	9.9%	15.8%	9.1%

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

	Fiscal Quarter Ended		Fiscal Year-to-Date	
	Jul 31, 2009	Jul 31, 2008	Jul 31, 2009	Jul 31, 2008
GAAP net income (loss)	\$ 16,659	\$ (15,125)	\$ 42,953	\$ 7,546
Operating adjustments (detailed above)	11,752	23,249	49,331	53,834
Non-operating expenses (income) adjustments:				
Loss (gain) on debenture repurchases	57	(139)	(11)	(544)
Impairment of investments	2,370	14,738	5,466	14,738
Gain on sale of previously impaired long-term investments	-	-	-	(250)
Sub-total	<u>2,427</u>	<u>14,599</u>	<u>5,455</u>	<u>13,944</u>
Total pre-tax adjustments	14,179	37,848	54,786	67,778
Income tax adjustments	(5,549)	(4,841)	(17,089)	(4,045)
Income from discontinued operations, net of taxes	(302)	-	(1,904)	(2,121)
Total net adjustments	8,328	33,007	35,793	61,612
Non-GAAP net income and non-GAAP income from continuing operations	\$ 24,987	\$ 17,882	\$ 78,746	\$ 69,158
GAAP net income (loss) per share	\$ 0.05	\$ (0.04)	\$ 0.12	\$ 0.02
Total adjustments detailed above	0.02	0.09	0.11	0.18
Non-GAAP net income per share and non-GAAP income from continuing operations per share	\$ 0.07	\$ 0.05	\$ 0.23	\$ 0.20
GAAP weighted average shares	346,660	351,878	346,120	353,290
Change from basic to diluted weighted average shares	-	1,319	-	-
Non-GAAP weighted average shares	346,660	353,197	346,120	353,290

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 July 31, 2009

	Open Platform		Identity and Security Management		Systems and Resource Management		Workgroup		Common Unallocated		Total	%
	Solutions	%	Management	%	Management	%	Workgroup	%	Unallocated			
Net revenue:												
Software licenses	\$ 73	0.2	\$ 7,929	20.7	\$ 7,527	16.5	\$ 11,491	13.1	\$ -	\$ 27,020	12.5	
Maintenance and subscriptions	39,868	90.1	22,336	58.2	32,469	71.2	69,026	78.5	-	163,699	75.8	
Services	4,307	9.7	8,102	21.1	5,584	12.3	7,372	8.4	-	25,365	11.7	
Total net revenue	44,248	100.0	38,367	100.0	45,580	100.0	87,889	100.0	-	216,084	100.0	
Cost of revenue:												
Software licenses	3	0.0	977	2.5	861	1.9	538	0.6	391	2,770	1.3	
Maintenance and subscriptions	1,605	3.6	2,753	7.2	3,713	8.1	3,230	3.7	2,371	13,672	6.3	
Services	6,359	14.4	8,851	23.1	5,384	11.8	9,757	11.1	190	30,541	14.1	
Total cost of revenue	7,967	18.0	12,581	32.8	9,958	21.8	13,525	15.4	2,952	46,983	21.7	
Gross profit	36,281	82.0	25,786	67.2	35,622	78.2	74,364	84.6	(2,952)	169,101	78.3	
Operating expenses:												
Sales and marketing	-	-	-	-	-	-	-	-	74,647	74,647	34.5	
Product development	12,849	29.0	9,859	25.7	11,027	24.2	9,131	10.4	2,817	45,683	21.1	
General and administrative	-	-	-	-	-	-	-	-	25,997	25,997	12.0	
Other operating expenses	-	-	-	-	-	-	-	-	1,400	1,400	0.6	
Total operating expenses	12,849	29.0	9,859	25.7	11,027	24.2	9,131	10.4	104,861	147,727	68.4	
Income (loss) from operations	\$ 23,432	53.0	\$ 15,927	41.5	\$ 24,595	54.0	\$ 65,233	74.2	\$ (107,813)	\$ 21,374	9.9	

Fiscal Quarter Ended April 30, 2009

	Open Platform		Identity and Security Management		Systems and Resource Management		Workgroup		Common Unallocated		Total	%
	Solutions	%	Management	%	Management	%	Workgroup	%	Unallocated			
Net revenue:												
Software licenses	\$ 31	0.1	\$ 9,191	23.7	\$ 8,520	18.8	\$ 12,508	14.3	\$ -	\$ 30,250	14.0	
Maintenance and subscriptions	38,785	87.9	21,135	54.4	31,566	69.6	66,843	76.6	-	158,329	73.4	
Services	5,296	12.0	8,520	21.9	5,268	11.6	7,932	9.1	-	27,016	12.5	
Total net revenue	44,112	100.0	38,846	100.0	45,354	100.0	87,283	100.0	-	215,595	100.0	
Cost of revenue:												
Software licenses	2	0.0	636	1.6	713	1.6	518	0.6	511	2,380	1.1	
Maintenance and subscriptions	2,802	6.4	1,463	3.8	2,642	5.8	2,762	3.2	2,676	12,345	5.7	
Services	6,552	14.9	9,188	23.7	4,477	9.9	10,121	11.6	219	30,557	14.2	
Total cost of revenue	9,356	21.2	11,287	29.1	7,832	17.3	13,401	15.4	3,406	45,282	21.0	
Gross profit	34,756	78.8	27,559	70.9	37,522	82.7	73,882	84.6	(3,406)	170,313	79.0	
Operating expenses:												
Sales and marketing	-	-	-	-	-	-	-	-	75,697	75,697	35.1	
Product development	13,305	30.2	9,253	23.8	10,960	24.2	8,745	10.0	2,289	44,552	20.7	
General and administrative	-	-	-	-	-	-	-	-	25,032	25,032	11.6	
Other operating expenses	-	-	-	-	-	-	-	-	7,408	7,408	3.4	
Total operating expenses	13,305	30.2	9,253	23.8	10,960	24.2	8,745	10.0	110,426	152,689	70.8	
Income (loss) from operations	\$ 21,451	48.6	\$ 18,306	47.1	\$ 26,562	58.6	\$ 65,137	74.6	\$ (113,832)	\$ 17,624	8.2	

Fiscal Quarter Ended July 31, 2008

	Open Platform		Identity and Security Management		Systems and Resource Management		Workgroup		Common Unallocated		Total	%
	Solutions	%	Management	%	Management	%	Workgroup	%	Unallocated			
Net revenue:												
Software licenses	\$ -	-	\$ 16,567	32.9	\$ 15,439	29.1	\$ 20,997	20.4	\$ -	\$ 53,003	21.6	
Maintenance and subscriptions	33,558	86.3	20,311	40.3	31,671	59.7	70,358	68.4	-	155,898	63.6	
Services	5,326	13.7	13,482	26.8	5,972	11.3	11,504	11.2	-	36,284	14.8	
Total net revenue	38,884	100.0	50,360	100.0	53,082	100.0	102,859	100.0	-	245,185	100.0	
Cost of revenue:												
Software licenses	-	-	2,035	4.0	1,376	2.6	1,116	1.1	785	5,312	2.2	
Maintenance and subscriptions	1,934	5.0	2,495	5.0	2,824	5.3	3,739	3.6	2,309	13,301	5.4	
Services	8,237	21.2	14,571	28.9	4,896	9.2	12,310	12.0	961	40,975	16.7	
Total cost of revenue	10,171	26.2	19,101	37.9	9,096	17.1	17,165	16.7	4,055	59,588	24.3	
Gross profit	28,713	73.8	31,259	62.1	43,986	82.9	85,694	83.3	(4,055)	185,597	75.7	
Operating expenses:												
Sales and marketing	-	-	-	-	-	-	-	-	95,950	95,950	39.1	
Product development	15,043	38.7	11,346	22.5	11,544	21.7	9,606	9.3	2,543	50,082	20.4	
General and administrative	-	-	-	-	-	-	-	-	27,463	27,463	11.2	
Other operating expenses	-	-	-	-	-	-	-	-	11,131	11,131	4.5	
Total operating expenses	15,043	38.7	11,346	22.5	11,544	21.7	9,606	9.3	137,087	184,626	75.3	
Income (loss) from operations	\$ 13,670	35.2	\$ 19,913	39.5	\$ 32,442	61.1	\$ 76,088	74.0	\$ (141,142)	\$ 971	0.4	

Revisions were made to 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)

	Fiscal Year						Change from					
	Q3 2008		2008		Q2 2009		Q3 2009		Q2 2009 to Q3 2009		Q3 2008 to Q3 2009	
		%		%		%		%				%
Open platform solutions												
Linux platform products												
Software licenses	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
Maintenance and subscriptions	31,266	12.8	123,386	12.9	36,681	17.0	38,240	17.7	1,559	4.3	6,974	22.3
	<u>31,266</u>	<u>12.8</u>	<u>123,386</u>	<u>12.9</u>	<u>36,681</u>	<u>17.0</u>	<u>38,240</u>	<u>17.7</u>	<u>1,559</u>	<u>4.3</u>	<u>6,974</u>	<u>22.3</u>
Other open platform products												
Software licenses	-	-	164	0.0	31	0.0	73	0.0	42	135.5	73	-
Maintenance and subscriptions	2,292	0.9	9,576	1.0	2,104	1.0	1,628	0.8	(476)	(22.6)	(664)	(29.0)
	<u>2,292</u>	<u>0.9</u>	<u>9,740</u>	<u>1.0</u>	<u>2,135</u>	<u>1.0</u>	<u>1,701</u>	<u>0.8</u>	<u>(434)</u>	<u>(20.3)</u>	<u>(591)</u>	<u>(25.8)</u>
Total open platform solutions	33,558	13.7	133,126	13.9	38,816	18.0	39,941	18.5	1,125	2.9	6,383	19.0
Identity and security management												
Identity, access and compliance management												
Software licenses	15,747	6.4	53,956	5.6	8,475	3.9	7,542	3.5	(933)	(11.0)	(8,205)	(52.1)
Maintenance and subscriptions	17,816	7.3	70,321	7.4	19,401	9.0	20,729	9.6	1,328	6.8	2,913	16.4
	<u>33,563</u>	<u>13.7</u>	<u>124,277</u>	<u>13.0</u>	<u>27,876</u>	<u>12.9</u>	<u>28,271</u>	<u>13.1</u>	<u>395</u>	<u>1.4</u>	<u>(5,292)</u>	<u>(15.8)</u>
Other identity and security management												
Software licenses	820	0.3	2,667	0.3	716	0.3	387	0.2	(329)	(45.9)	(433)	(52.8)
Maintenance and subscriptions	2,495	1.0	10,301	1.1	1,734	0.8	1,607	0.7	(127)	(7.3)	(888)	(35.6)
	<u>3,315</u>	<u>1.4</u>	<u>12,968</u>	<u>1.4</u>	<u>2,450</u>	<u>1.1</u>	<u>1,994</u>	<u>0.9</u>	<u>(456)</u>	<u>(18.6)</u>	<u>(1,321)</u>	<u>(39.8)</u>
Total identity and security management	36,878	15.0	137,245	14.3	30,326	14.1	30,265	14.0	(61)	(0.2)	(6,613)	(17.9)
Systems and resource management												
Software licenses	15,439	6.3	48,126	5.0	8,520	4.0	7,527	3.5	(993)	(11.7)	(7,912)	(51.2)
Maintenance and subscriptions	31,671	12.9	122,040	12.8	31,566	14.6	32,469	15.0	903	2.9	798	2.5
Total systems and resource management	47,110	19.2	170,166	17.8	40,086	18.6	39,996	18.5	(90)	(0.2)	(7,114)	(15.1)
Workgroup												
OES and NetWare-related												
Software licenses	9,493	3.9	39,379	4.1	5,622	2.6	5,129	2.4	(493)	(8.8)	(4,364)	(46.0)
Maintenance and subscriptions	41,890	17.1	166,496	17.4	39,210	18.2	40,058	18.5	848	2.2	(1,832)	(4.4)
	<u>51,383</u>	<u>21.0</u>	<u>205,875</u>	<u>21.5</u>	<u>44,832</u>	<u>20.8</u>	<u>45,187</u>	<u>20.9</u>	<u>355</u>	<u>0.8</u>	<u>(6,196)</u>	<u>(12.1)</u>
Collaboration												
Software licenses	7,135	2.9	28,320	3.0	3,391	1.6	4,468	2.1	1,077	31.8	(2,667)	(37.4)
Maintenance and subscriptions	21,657	8.8	85,462	8.9	20,978	9.7	21,877	10.1	899	4.3	220	1.0
	<u>28,792</u>	<u>11.7</u>	<u>113,782</u>	<u>11.9</u>	<u>24,369</u>	<u>11.3</u>	<u>26,345</u>	<u>12.2</u>	<u>1,976</u>	<u>8.1</u>	<u>(2,447)</u>	<u>(8.5)</u>
Other workgroup												
Software licenses	4,369	1.8	16,371	1.7	3,495	1.6	1,894	0.9	(1,601)	(45.8)	(2,475)	(56.6)
Maintenance and subscriptions	6,811	2.8	28,911	3.0	6,655	3.1	7,091	3.3	436	6.6	280	4.1
	<u>11,180</u>	<u>4.6</u>	<u>45,282</u>	<u>4.7</u>	<u>10,150</u>	<u>4.7</u>	<u>8,985</u>	<u>4.2</u>	<u>(1,165)</u>	<u>(11.5)</u>	<u>(2,195)</u>	<u>(19.6)</u>
Total workgroup	91,355	37.3	364,939	38.2	79,351	36.8	80,517	37.3	1,166	1.5	(10,838)	(11.9)
Total software licenses, maintenance and subscriptions												
Software licenses	53,003	21.6	188,983	19.8	30,250	14.0	27,020	12.5	(3,230)	(10.7)	(25,983)	(49.0)
Maintenance and subscriptions	155,898	63.6	616,493	64.5	158,329	73.4	163,699	75.8	5,370	3.4	7,801	5.0
Total product revenue	208,901	85.2	805,476	84.2	188,579	87.5	190,719	88.3	2,140	1.1	(18,182)	(8.7)
Services	36,284	14.8	151,037	15.8	27,016	12.5	25,365	11.7	(1,651)	(6.1)	(10,919)	(30.1)
Total net revenue	\$ 245,185	100.0	\$ 956,513	100.0	\$ 215,595	100.0	\$ 216,084	100.0	\$ 489	0.2	\$ (29,101)	(11.9)

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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, Access and Compliance Management

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

Other Identity and Security Management

- > eDirectory

Systems and Resource Management

- > ZENworks Suite
- > ZENworks Patch Management
- > ZENworks Asset Management
- > ZENworks Linux Management
- > ZENworks Configuration Management
- > PlateSpin
- > Managed Objects

Workgroup

Open Enterprise Server and NetWare-Related

- > Open Enterprise Server (OES)
- > NetWare
- > Cluster Services

Collaboration

- > GroupWise
- > Teaming + Conferencing

Other Workgroup

- > BorderManager

Services

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