## Investor Relations

# SCO Registers UNIX® Copyrights and Offers UNIX License

### U.S. Copyright Office Officially Begins Assignment of UNIX Copyrights to SCO, Company to Provide UNIX License to Commercial Linux End Users

LINDON, Utah, Jul 21, 2003

The SCO® Group (SCO)(Nasdaq: SCOX) today announced that it has received U.S. copyright registrations for UNIX System V source code, a jurisdictional pre-requisite to enforcement of its UNIX copyrights. The company also announced it will offer UnixWare® licenses tailored to support run-time, binary use of Linux for all commercial users of Linux based on kernel version 2.4.x and later. SCO will hold harmless commercial Linux customers that purchase a UnixWare license against any past copyright violations, and for any future use of Linux in a run-only, binary format.

In May, SCO announced that Linux contained SCO's UNIX System V source code and that Linux was an unauthorized derivative of UNIX. SCO also indicated that Linux end users could face liability for running it in their organization. Beginning this week, the company will begin contacting companies regarding their use of Linux and to offer a UnixWare license. SCO intends to use every means possible to protect the company's UNIX source code and to enforce its copyrights.

"Since the year 2001 commercial Linux customers have been purchasing and receiving software that includes misappropriated UNIX software owned by SCO," said Chris Sontag, senior vice president and general manager, SCOsource intellectual property division, The SCO Group. "While using pirated software is copyright infringement, our first choice in helping Linux customers is to give them an option that will not disrupt their IT infrastructures. We intend to provide them with choices to help them run Linux in a legal and fully-paid for way."

Hundreds of files of misappropriated UNIX source code and derivative UNIX code have been contributed to Linux in a variety of areas, including multi-processing capabilities. The Linux 2.2.x kernel was able to scale to 2-4 processors. With Linux 2.4.x and the 2.5.x development kernel, Linux now scales to 32 and 64 processors through the addition of advanced Symmetrical Multi-Processing (SMP) capabilities taken from UNIX System V and derivative works, in violation of SCO's contract agreements and copyrights.

"For several months, SCO has focused primarily on IBM's alleged UNIX contract violations and misappropriation of UNIX source code," said Darl McBride, president and CEO, The SCO Group. "Today, we're stating that the alleged actions of IBM and others have caused customers to use a tainted product at SCO's expense. With more than 2.4 million Linux servers running our software, and thousands more running Linux every day, we expect SCO to be compensated for the benefits realized by tens of thousands of customers. Though we possess broad legal rights, we plan to use these carefully and judiciously."

"Following the distribution of our letter to the Fortune 1000 and Global 500, many prominent companies using Linux contacted SCO to ask, 'What do you want me to do?'," added McBride. "Today, we're delivering a very clear message to customers regarding what they should do. Intellectual property is valuable and needs to be respected and paid for by corporations who use it for their own commercial benefit. The new UnixWare license accomplishes that objective in a fair and balanced way."

Pricing and Availability

Pricing of the run-time, binary UnixWare license will be announced in the coming weeks to customers and resellers. For more information, contact your local SCO sales representative or contact SCO at (800) 726-8649 or on the Web at www.sco.com.

About SCO

The SCO Group (Nasdaq: SCOX) helps millions of customers in more than 82 countries to grow their businesses everyday. Headquartered in Lindon, Utah, SCO has a worldwide network of more than 11,000 resellers and 4,000 developers. SCO Global Services provides reliable localized support and services to partners and customers. For more information on SCO products and services, visit http://www.sco.com.

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