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Caldera News

FOR IMMEDIATE RELEASE

EMBEDDED LINUX MOVED TO TOP PRIORITY AT LINEO, INC., FORMERLY KNOWN AS CALDERA THIN CLIENTS, INC.

Lineo's embedded Linux, based on Caldera Systems' OpenLinux, is natural evolution for companies with years of success in both Linux and embedded DOS

Lindon, UT -- July 20, 1999 -- Caldera®, Inc. today announced that its embedded Linux® research and development plans will be carried forward by its wholly-owned subsidiary, Caldera Thin Clients, which was today renamed Lineo, Inc. Lineo's embedded Linux platform, Embedix, is based on Caldera Systems' OpenLinux®, a full-featured operating system platform. Caldera Systems, the "Linux for Business" industry leader, will continue to develop, market and sell OpenLinux to PC software markets. Lineo's Embedix solutions will extend OpenLinux to the embedded market.

"Caldera was the first company to invest heavily in the establishment of Linux as an acceptable business solution," said Bryan Sparks, CEO of both Caldera, Inc. and the newly-evolved Lineo, Inc. "Five years after forming Caldera, we are now launching Lineo for the purpose of defining the commercial embedded Linux marketplace and obtaining wide market implementation of this incredible operating system environment in compact devices worldwide."

"OEMs see the benefit of embedding Linux into their devices and have requested an embedded OpenLinux solution," said Ransom Love, President and CEO of Caldera Systems, Inc. "Embedix will define the embedded Linux market as OpenLinux has defined the Linux for business market."

In just four weeks, at Linux World, the industry's largest Linux-focused trade show, Lineo will be announcing a partnership with the world's leading provider of embedded computing technology and will be detailing the first broad market Linux-based embedded devices.

Lineo is calling its embedded Linux platform Embedix, which is based upon OpenLinux -- Caldera Systems' successful boxed Linux product targeted at desktops, servers and high-availability solutions. Embedix is a specially configured Linux platform designed to meet the strict memory, storage and performance requirements of embedded systems. Lineo has already developed and sold Embedix-based solutions to a select group of OEMs. Lineo's embedded Linux development environment, code named "Hurricane", includes the complete set of OpenLinux technologies paired with special tools for producing

software for embedded systems.

Lineo will continue to develop and market its DR DOS® product line to embedded OEMs, including Embrowser(formerly WebSpyder), the company's DOS-based graphical embedded Web browser. For the past two years, revenues from the DR DOS product line have funded Caldera Thin Clients' embedded business and the research and development for both Embedix and Embrowser. Lineo has already begun to port Embrowser to Linux.

Lineo technology development is targeted at such embedded markets as print/publishing, automotive, industrial automation, consumer electronics and retail automation. Lineo positions its technologies as a base for embedded solutions such as digital imaging devices, single task processors, Internet TV set-top devices, hand held devices, point-of-sale terminals, single board computers, networking infrastructure components and network computers.

Lineo is a wholly-owned subsidiary of Caldera, Inc., and employs a business model of utilizing the OEM channel to reach multiple market segments with numerous technology solutions. Lineo enhances this relationship by customizing its products as required by the individual OEM. Lineo provides specialized products and services that decrease an OEM's time to market and post-sales support of high-volume computing devices.

History

Caldera, Inc. was founded by Bryan Sparks in the fall of 1994, and was incorporated in January of 1995. Caldera received initial funding from The Canopy Group, the family trust of Raymond J. Noorda, former Novell, Inc. Chairman and CEO. Caldera's business plan was to offer products based on the then-fledgling Linux operating system to business customers. Caldera built its success with Linux-based products through reseller, retail and direct channels. In July of 1996, Caldera purchased the DR DOS business and all related DOS assets from Novell for purposes of offering these technologies into embedded markets as well as integrating these products with the existing Linux product lines. In the summer of 1998, Caldera, Inc. created two separate companies to further focus development, marketing and sales efforts. Caldera Systems, Inc. was created to develop Linux-based products for PC software markets, with greatest success on desktops and servers. Caldera Thin Clients, Inc., targeted the thin client and embedded systems markets.

Today, Caldera Thin Clients changed its name to Lineo, Inc. -- in part to distinguish the company's embedded Linux products from Caldera Systems's full-featured OpenLinux solutions, and in part to emphasize the evolution of the company to focus on the emerging embedded Linux market. Lineo actively defines the embedded Linux market and offers embedded Linux-based components and solutions to OEMs. Lineo maintains a strong relationship with Caldera Systems and uses Caldera System's OpenLinux technology as a basis for its embedded Linux solutions. Lineo is the benefactor of a history with both Linux and embedded systems. Lineo is based in Lindon, Utah and has a sales

office in Taipei, Taiwan. Revenues for the company remain private and are released only to prospective investors

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Lineo, Inc. develops, markets and sells embedded operating systems and applications that provide consumers with simple, low-cost software for interacting with the Internet via embedded devices. Lineo owns and develops Embedix (embedded Linux OS), Embrowser (embedded web browser), DR DOS® (component-based embedded OS) and other technologies designed to improve connectivity while reducing system requirements and per-unit costs. Contact Lineo, Inc. at www.lineo.com, via email "info@lineo.com" or telephone (801) 426-5001. **Caldera, Inc.**, the parent company of Lineo, Inc., was founded by Bryan Sparks in October 1994 as a start-up venture funded by **The Canopy Group** -- the family trust of Raymond J. Noorda, former Chairman and CEO of Novell®, Inc. (NASDAQ:NOVL).

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PRESS ONLY Contact:

Lineo, Inc.

Lyle Ball

lyle@lineo.com

Tel: (801) 426-5001 x305

Fax: (801) 426-6166

Taipei, Taiwan Office

Irrana Huang

irrana.huang@lineo.com

Tel: (886) 22747-8800

Fax: (886) 22747-8822