

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

In re SCO Operations, Inc.<sup>(1)</sup>  
Debtor

Case No. 07-11338 (KG)  
Reporting Period: as of 12/31/08

**MONTHLY OPERATING REPORT**

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1	Yes	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a	Yes	
Schedule of Professional Fees Paid	MOR-1b	Yes	
Copies of bank statements		N/A	
Cash disbursements journals		N/A	
Statement of Operations	MOR-2	Yes	
Balance Sheet	MOR-3	Yes	
Status of Postpetition Taxes	MOR-4	Yes	
Copies of IRS Form 6123 or payment receipt		N/A	
Copies of tax returns filed during reporting period		N/A	
Summary of Unpaid Postpetition Debts	MOR-4	Yes	
Listing of aged accounts payable	MOR-4	Yes	
Accounts Receivable Reconciliation and Aging	MOR-5	Yes	
Debtor Questionnaire	MOR-5	Yes	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

\_\_\_\_\_  
Signature of Debtor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Date

Ken R. Nielsen  
\_\_\_\_\_  
Signature of Authorized Individual\*

0  
2/3/09  
\_\_\_\_\_  
Date

Ken R. Nielsen  
\_\_\_\_\_  
Printed Name of Authorized Individual

CPD  
\_\_\_\_\_  
Title of Authorized Individual

<sup>(1)</sup> The Debtors and the last four digits of each of the Debtors' federal tax identification number are as follows:  
(a) The SCO Group, Inc., a Delaware corporation, Fed. Tax Id. #2823; and (b) SCO Operations, Inc.,  
The Debtors are jointly administered under the caption The SCO Group, Inc., et al., Case No. 07-11337 (KG),  
a Delaware corporation, Fed. Tax Id. #7393. The address for both Debtors is 355 South 520 West, Lindon, UT 84042.

\*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

## DISCLAIMER

The Monthly Operating Reports are limited in scope, cover a limited time period, and have been prepared solely for the purpose of complying with the monthly reporting requirements of the Bankruptcy Court and the United States Trustee. Furthermore, the Monthly Operating Reports contain information that has not been audited or reviewed by the Company's independent registered public accounting firm, has not been presented in accordance with U.S. generally accepted accounting principles ("GAAP"), and may be subject to future reconciliation and adjustments. Without limiting the foregoing, the financial information in the Monthly Operating Reports is unaudited and does not purport to present the financial statements of any of the Debtors in accordance with GAAP, and therefore may exclude items required by GAAP, such as certain reclassifications, eliminations, accruals, impairments and disclosure items. For example, among other matters, the value of (including without limitation the actual or likely sales prices for) many of the assets shown on the balance sheets included in the Monthly Operating Reports will be substantially less than what is shown in such information. The Company cautions readers not to place undue reliance upon the Monthly Operating Reports. There can be no assurance that the information in the Monthly Operating Reports is complete. The Monthly Operating Reports are in a format required by the United States Trustee and should not be used for investment purposes. The information in the Monthly Operating Reports should not be viewed as indicative of future results. This Disclaimer applies to all information contained herein.

**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

Amounts reported should be per the debtor's books, not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. The amounts reported in the "PROJECTED" columns should be taken from the SMALL BUSINESS INITIAL REPORT (FORM IR-1). Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1a]

	BANK ACCOUNTS				12/01/2008 through 12/31/2008		CUMULATIVE FILING TO DATE	
	OPER.	PAYROLL	TAX	OTHER	ACTUAL	PROJECTED	ACTUAL	PROJECTED
CASH BEGINNING OF MONTH					\$2,442,671	\$2,477,186	\$5,914,445	\$6,134,160
RECEIPTS								
CASH SALES								
ACCOUNTS RECEIVABLE	N/A				1,325,137	1,200,000	19,602,754	22,309,229
LOANS AND ADVANCES								
SALE OF ASSETS								
OTHER (ATTACH LIST)					430,983	25,000	2,439,966	276,178
TRANSFERS (FROM DIP ACCTS)								
<b>TOTAL RECEIPTS</b>					<b>\$1,756,120</b>	<b>\$1,225,000</b>	<b>\$22,042,720</b>	<b>\$22,585,407</b>
DISBURSEMENTS								
NET PAYROLL					301,829	354,350	5,536,889	8,279,200
PAYROLL TAXES					114,800	54,522	2,679,022	1,044,494
SALES, USE, & OTHER TAXES					144	7,500	55,019	112,500
INVENTORY PURCHASES					23,944	12,000	517,730	721,380
SECURED/ RENTAL/ LEASES					42,321	38,744	814,449	751,036
INSURANCE					61,957	156,730	1,580,119	2,348,942
ADMINISTRATIVE & SELLING					195,913	131,624	4,026,195	2,473,953
NON-BANKRUPTCY PROFESSIONAL FEES					66,461	130,000	1,192,124	2,462,000
OTHER (ATTACH LIST)					30,826	30,000	972,656	522,797
OWNER DRAW *					0			
TRANSFERS (TO DIP ACCTS)								
FUNDING OF SUBSIDIARIES					250,785	260,073	5,432,058	4,245,122
PROFESSIONAL FEES					81,249	235,000	2,073,224	3,435,250
U.S. TRUSTEE QUARTERLY FEES							49,125	31,250
COURT COSTS					0			
<b>TOTAL DISBURSEMENTS</b>					<b>\$1,170,230</b>	<b>\$1,410,543</b>	<b>\$24,928,609</b>	<b>\$26,427,924</b>
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)					\$585,890	\$(185,543)	\$(2,885,889)	\$(3,842,517)
CASH - END OF MONTH (SEE BANK ACCOUNTS LIST)					\$3,028,559	\$2,291,643	\$3,028,557	\$2,291,643

\* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

**THE FOLLOWING SECTION MUST BE COMPLETED**

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)		
TOTAL DISBURSEMENTS		\$1,170,230
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS	\$	-
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	\$	-
<b>TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES</b>	<b>\$</b>	<b>1,170,230</b>

FORM MOR-1  
(4/07)

**Notes:**

(1) The initial MOR incorrectly included consolidated cash balances from subsidiaries. This amount reflects cash only held in SCO Operations, Inc. bank accounts.

**Other Receipts/Disbursements Attachment**

	12/01/2008 through 12/31/2008	CUMULATIVE FILING TO DATE
<b>Other Receipts</b>		
Interest	\$4,181	\$210,613
Sale Of Asset		509,500.00
China Investment - Royalty from Japan	369,984	802,643.65
Employee Reimbursement & Refunds	102	30,651.33
Restricted Cash - Novell SVRx	56,104	644,335.09
Tax Refund	-	2,948.48
Cobra Refund		20,268.34
Refund from Vendor	612	104,501.40
FX		114,505.39
<b>Total</b>	<b>\$430,983</b>	<b>\$2,439,967</b>
<b>Other Disbursements</b>		
Novell SVRx Fee		446,456
Leasehold Improvement		22,917
Security Deposit		225,000
Refund		-
Bank Fees	1,454	45,714
FX	29,372	232,568
<b>Total</b>	<b>\$30,826</b>	<b>\$972,655</b>

In re SCO Operations, Inc.  
Debtor

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**BANK RECONCILIATIONS**  
Continuation Sheet for MOR-1

A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page.

	#	Operating	#	Payroll	#	Tax	#	Other
<b>BALANCE PER BOOKS</b>								
BANK BALANCE								
(+) DEPOSITS IN TRANSIT (ATTACH LIST)								
(-) OUTSTANDING CHECKS (ATTACH LIST)								
OTHER (ATTACH EXPLANATION)								
ADJUSTED BANK BALANCE *								
* Adjusted bank balance must equal balance per books								

**DEPOSITS IN TRANSIT**

See attestation letter

**CHECKS OUTSTANDING**

**OTHER**

0

February 3, 2009

Re: The SCO Group, Inc., et al.  
Del. Bankr. No. 07-11337  
Attestation Regarding Bank Account Reconciliation

Office of the United States Trustee

The above-captioned debtors (the "Debtors") hereby submit this attestation regarding bank account reconciliations in lieu of providing copies of bank statements and copies of all account reconciliations.

The Debtors have, on a timely basis, performed all bank account reconciliations in the ordinary course of its business. Copies of bank account statements and reconciliations are available for inspection upon request by the United States Trustee's Office.

Dated: 2/3/2009

THE SCO GROUP, INC. and SCO  
OPERATIONS, INC.

By: Ken R. Nielsen  
Ken Nielsen  
Chief Financial Officer

In re SCO Operations, Inc.  
Debtor

Case No. 07-11338 (KG)  
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**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID**

(This schedule is to include all retained professional payments from case inception to current month)

Payee	Period Covered	Amount Approved	Payor	Check		Amount Paid		Amount Applied	
				Number	Date	Fees	Expenses	Fees	Expenses
Tanner	As of 9/25/07			601595	10/19/07	59,100			
Jackson Hole Advisors	10/1/07 to 10/31/07			601588	10/19/07	2,650			
Madsen	As of 9/24/07			601590	10/19/07	235			
Kim & Cho	As of 11/7/07			Wire	10/30/07	1,282			
Other Contractors	fr per-9/14			Various	October	90,000			
Berger Singerman	As of 9/30			601710	11/26/07	54,791			
Berger Singerman	As of 9/30			601660	11/9/07	3,860			
Kevin McBride	9/15/07 to 9/30/07			015131	11/5/07	6,293			
Epiq	September, 2007			601816	12/21/07	6,293			
Berger Singerman	October, 2007			000008	12/18/07	144,555			
Boettlicher Hasse	October, 2007			003034	12/11/07	632			22
Kevin McBride	October, 2007			015132	12/3/07	30,750			
Madison & Austin	October, 2007			601804	12/18/07	646			
Madison & Austin	November, 2007			000005	12/7/07	6,715			
Madison & Austin	November, 2007			000004	12/5/07	8,650			
J. Harrison Coulter	Oct - Nov, 2007			601779	12/14/07	180			
Jackson Hole Advisors	Nov 07 - Jan 08			40012	1/25/08	7,950			
Tanner	Oct - Dec 2007			601900	1/15/08	37,787			2,198
Boettlicher Hasse	Sept - Dec 2007			A33036	1/14/08	18,961			20
Kevin McBride	November, 2007			15133	1/10/08	20,000			
Madison & Austin	November, 2007			601850	1/4/08	2,076			604
Coltrin & Associates	Oct 07 - Jan 08			601895	1/1/08	33,300			584
Coltrin & Associates	December, 2007			601907	1/18/2008				550
Donohue Advisory Assoc	Oct - Dec 2007			40008	1/25/08	26,378			
Epiq	November, 2007			601868	8/6/07	1,763			1,012
Berger Singerman	November, 2007			40032	1/25/08	237,059			13,072
Pachulski	9/15 - 9/30 2007			601874	1/11/08	23,986			5,697
Jackson Hole Advisors	March 2008			400094	2/15/08	2,650			
Kevin McBride	December, 2007			15134	2/5/08	20,000			
Madison & Austin	February 2008			601971	2/8/08	2,282			
Donohue Advisory Assoc	December 2007			601931	2/1/08	400			
Epiq	Dec 07 - Jan 08			601932	2/1/08	965			1,288
Berger Singerman	December 2007			601994	2/22/08	17,714			160
Pachulski	0-Jan			40050	2/15/08	113,633			10,685
Mesirov	Sept 14 - Nov 07			40041	2/5/08	359,911			48,702

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Payee	Period Covered	Amount Approved	Payor	Check		Amount Paid		Amount Applied	
				Number	Date	Fees	Expenses	Fees	Expenses
Epiq	February 2008			40147	3/20/08	2,961	405		
Mesirow	December 2007			40099	3/7/08	18,436			
Mesirow	Sept to Dec 2007			40155	3/20/08	41,276	48,702		
Jackson Hole Advisors	March 2008			40094	3/7/08	2,650			
Tanner	January 2008			40103	3/7/08	151,785	437		
Tanner	Oct to Dec 2007			40142	3/17/08	-	3,669		
Boetticher Hassc	Dec 07 to Jan 08			33040	3/25/08	2,861			
Kevin McBride	January 2008			15138	3/10/08	20,000			
Madson & Austin	March 2008			40151	3/20/08	2,600			
J. Harrison Coulter	Jan to Feb 2008			40086	3/7/08	280			
Dorsey & Whitney LLP	Nov to Dec 2007			40163	3/25/08	30,927			
Dorsey & Whitney LLP	November 2007			15139	3/25/08	360			
J Harrison Colter	December 2007			40182	4/7/08	100			
Tanner & Co.	February 2008			40195	4/7/08	4,480	263		
Tanner & Co.	February 2008			602020	4/15/08	21,815	1,221		
Bowne of Dallas	March 2008			602024	4/18/08	1,305			
Berger Singerman	January 2008			Wire	4/2/08	40,429	1,907		
Kevin McBride	February 2008			15140	4/8/08	20,000			
Jackson Hole Advisors	March 2008			10602036	4/18/08	2,650			
Berger Singerman	February-08			40246	5/16/08	195,176	1,154		
Berger Singerman	March-08			40246	5/16/08	89,912	1,118		
Pachulski	September, 2007			40234	5/9/08	5,997			
Pachulski	November, 2007			40234	5/9/08	10,024			
Pachulski	October, 2007			40234	5/9/08	13,268			
Pachulski	December, 2007			40234	5/9/08	3,472			
Pachulski	January, 2008			40234	5/9/08	13,260	3,260		
Pachulski	February, 2008			40234	5/9/08	20,807	3,660		
Mesirow	January - February, 2008			40215	5/2/08	31,278			
Tanner & Co	January, 2008			40225	5/6/08	22,753	283		
Tanner & Co	April, 2008			602119	5/30/08	6,920	10		
Broadridge	April, 2008			602109	5/30/08	13,552			
Bowne of Dalles	Sep. 2007 & Feb, 2008			40205	5/2/08	5,005			
Bowne of Dalles	March, 2008			602108	5/30/08	3,240			
Kevin McBride	March, 2008			15144	5/8/08	25,000			
Madson & Austin	January, 2008			N040232	5/9/08	3,066	653		



In re SCO Operations, Inc.  
Debtor

Case No. 07-11338 (KGG)  
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**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID**

(This schedule is to include all retained professional payments from case inception to current month)

Payee	Period Covered	Amount Approved	Payor	Check		Amount Paid		Amount Applied	
				Number	Date	Fees	Expenses	Fees	Expenses
Madson & Austin	February, 2008			10602086	5/16/08	2,064	621		
J. Harrison Coulter	March, 2008			40209	5/2/08	140			
Dorsey & Whitney, LLP	February, 2008			602105	5/23/08	43,121	797		
Deloitte Management	May 2008			40285	6/23/08	4,400			
Dorsey & Whitney	March 2008			40260	6/6/08	17,355	896		
Dorsey & Whitney	January 2008			40313	6/27/08	21,182	184		
J. Harrison Coulter	April 2008			40236	6/6/08	340			
Jackson Hole Advisors	May 2008			40263	6/6/08	2,650			
Madson & Austin	March to May 2008			40287	6/23/08	5,525	166		
Tanner & Co	January to March 08			40324	6/27/08	29,677	2,204		
Thakker & Thakker	January 2008			Wire	6/3/08	875			
Pachulski Stang Ziehl	March 2008			40319	6/27/08	3,911			
Pachulski Stang Ziehl	February 2008			40319	6/27/08	5,202			
Pachulski Stang Ziehl	January 2008			40319	6/27/08	3,315			
EPIQ Bankruptcy Solutions	May 2008			40314	6/27/08	9,035			
EPIQ Bankruptcy Solutions	March 2008			40262	6/6/08	33,661			
Berger Singerman PA	January 2008			40308	6/27/08	48,794			
Berger Singerman PA	February 2008			40308	6/27/08	10,107			
Berger Singerman PA	April 2008			40331	7/10/08	35,165	1,291		
Berger Singerman PA	May 2008			40366	7/18/08	13,172	137		
EPIQ Bankruptcy Solutions	May 2008			40368	7/18/08	2,539	422		
Dorsey & Whitney, LLP	January to March 08			40341	7/10/08	16,750	92		
J Harrison Colter	May 2008			40336	7/10/08	80			
Kevin McBride	April 2008			15155	7/1/08	20,000			
Kevin McBride	May 2008			15156	7/9/08	20,000			
Madson & Austin	June to July 2008			40370	7/18/08	7,488			
Tanner & Co	May 2008			40352	7/10/08	13,378	326		
KEVIN MCBRIDE	June 2008			015164	8/8/08	20,000			
MADSON & AUSTIN	January 2008			030015	8/8/08	925			
MADSON & AUSTIN	June to July 2008			040447	8/15/08	2,480	83		
TANNER & CO	June 2008			040437	8/8/08	28,870	514		
EPIQ BANKRUPTCY SOLUTI	June 2008			040486	8/29/08	1,269	504		
MESIROW FINANCIAL CONS	Dec 2007 to Feb 2008			040410	8/1/08	20,653			
MESIROW FINANCIAL CONS	March 2008			040467	8/22/08	34,466			
DORSEY & WHITNEY LLP	Mar to May 2008			015167	8/8/08	3,050	1,097		

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Payee	Period Covered	Amount Approved	Payor	Check		Amount Paid		Amount Applied	
				Number	Date	Fees	Expenses	Fees	Expenses
MERRILL COMMUNICATIONS	Oct 24, 2007 to Apr 26, 2008			040490	8/29/08	7,500			
PARR WADDOUPS BROWN GE	April 2008			040411	8/1/08	503			
EPIQ BANKRUPTCY SOLUTI	July 2008			40529	9/12/08	1,623	405		
MESIROW FINANCIAL CONS	April 2008			40513	9/5/08	24,939			
MESIROW FINANCIAL CONS	May 2008			40533	9/12/08	14,920			
KEVIN MCBRIDE	August 2008			15161	9/3/08	20,000			
STEWART MCKELVEY	March to April 2008			40551	9/19/08	339	1		
TANNER & CO	July 2008			40518	9/5/08	11,560	59		
TRIAL TECH	April to May 2008			15163	9/3/08	14,060	6,374		
BERGER SINGERMAN PA	July to Aug 2008			602170	10/17/08	16,218	565		
KEVIN MCBRIDE	August 2008			15170	10/10/08	20,000			
TANNER & CO	May to July 2008			602159	10/10/08	29,530			
THE LITIGATION DOCUMEN	April to May 2008			15169	10/28/08		9,802		
BERGER SINGERMAN	March 2008			40607	11/3/08	22,478			
BERGER SINGERMAN	June 2008			50222	11/21/08	52,371	2,195		
EPIQ BANKRUPTCY SOLUTION	August 2008			40635	11/10/08	901	404		
EPIQ BANKRUPTCY SOLUTION	September 2008			40683	11/21/08	815	478		
MESIROW FINANCIAL CONS	March 2008			40685	11/21/08	5,000			
PACHULSKI STANG ZIEHL	March 2008			40686	11/21/08	15,644	2,923		
TANNER & CO	August to Sept 08			40625	11/3/08	25,586	492		
DORSEY & WHITNEY	April to May 2008			40616	11/3/08	13,191	860		
DORSEY & WHITNEY	April to May 2008			40655	11/14/08	3,298			
KEVIN MCBRIDE	September 2008			15174	11/11/08	20,000			
MADSON & AUSTIN	September 2008			40621	11/3/08	2,500	120		
MADSON & AUSTIN	September 2008			40662	11/14/08	855			
MADSON & AUSTIN	October			40705	11/26/08	858			
BERGER SINGERMAN	June 08			40719	12/5/08	13,093			
BERGER SINGERMAN	Sept 08			40745	12/12/08	15,000			
BERGER SINGERMAN	Sept 08			10792	12/23/08	12,387	331		
EPIQ BANKRUPTCY SOLUTION	Oct 08			40753	12/12/08	6,042	1,231		
PACHULSKI STANG ZIEHL	Apr. June 08			40733	12/5/08	17,755	2,536		
PACHULSKI STANG ZIEHL	May 08			40760	12/12/08	6,533	2,725		
DORSEY & WHITNEY	Sept, Oct 07			40725	12/5/08	25,000			
DORSEY & WHITNEY	Sept, Oct 07			40752	12/12/08	8,809	10		
DORSEY & WHITNEY	Nov, Dec 07, Jun, July 08			40798	12/23/08	13,057	24		

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Payee	Period Covered	Amount Approved	Payor	Check		Amount Paid		Amount Applied	
				Number	Date	Fees	Expenses	Fees	Expenses
TANNER & CO MESIROW	Oct 08			40736	12/5/08	18,783	777		
	Mar 08			40758	12/12/08	3,617			
<b>SUBTOTAL</b>						\$3,061,198	\$204,148		

FORM MOR-1b  
(04/07)

**SCO OPERATIONS  
BANK ACCOUNTS**

BANK	ADDRESS	CITY	STATE	ZIP	COUNTRY	ACCOUNT NAME	ACCOUNT TYPE	ACCOUNT #	USD
AIB	Ashford House PO Box 516, Tara Shree	Dublin 2			Ireland	SCO Operations Inc	USD	61348635	53,520
AIB	Ashford House PO Box 516, Tara Shree	Dublin 2			Ireland	SCO Operations Inc	GBP	61348681	148,897
AIB	Ashford House PO Box 516, Tara Shree	Dublin 2			Ireland	SCO Operations Inc	EUR	61350087	30,109
Zions Bank	IFSC Branch 462 West 800 North	Des Moines	IA	50319	USA	SCO Operations Inc	EUR	08307188	0
Zions Bank	462 West 800 North	Des Moines	IA	50319	USA	SCO Operations Inc	CREDIT CARD	071026363	0
Zions Bank	462 West 800 North	Des Moines	IA	50319	USA	SCO Operations Inc	LOCKBOX	071026348	0
Zions Bank	462 West 800 North	Des Moines	IA	50319	USA	SCO Operations Inc	OPERATING	071026355	0
Zions Bank	462 West 800 North	Des Moines	IA	50319	USA	SCO Operations Inc	PAYROLL	071026371	0
Zions Bank	462 West 800 North	Des Moines	IA	50319	USA	SCO Operations Inc	SWEEP	082500096	397,097
Zions Bank	462 West 800 North	Des Moines	IA	50319	USA	SCO Operations Inc	MONEY MARKET	071520048	0
Zions Bank	462 West 800 North	Des Moines	IA	50319	USA	SCO Operations Inc	NEW OPERATING	071039952	308,067
Zions Bank	462 West 800 North	Des Moines	IA	50319	USA	SCO Operations Inc	NEW CREDIT CARD	071528947	209,868
Zions Bank	462 West 800 North	Des Moines	IA	50319	USA	SCO Operations Inc	NEW CREDIT CARD	071039969	1,485
Wells Fargo Brokerage Services	299 S. Main Street Lain American Cash	SLC	UT	84111	USA	SCO Operations Inc	Investment	12621708	1,518,339
Perry Cash									26,559
									300
									3,101,347
									(72,787)
									3,028,560
									(161,898)
									2,866,664
									2,866,664

Total Cash before Restricted  
Uncleared Disbursements

Total Cash in SCO Ops BS  
Restricted Cash -- Nowel

(384,620.48)  
(238,152.00)

3,101,347  
(72,787)

Total after restricted  
Consolidation FX Adjustment

**FOREIGN  
SUBSIDIARY BANK  
ACCOUNTS**

BANK	ADDRESS	CITY	STATE	ZIP	COUNTRY	ACCOUNT NAME	ACCOUNT TYPE	ACCOUNT #	USD
Allied Irish Bank (GB)	81/89 St. Albans's Road 45 Boulevard Postfach 24	Waltham	Herts	WD1 1RG	United Kingdom	SCO Software (UK) Ltd.	GBP	0060040	77,107.21
Baicaixa Bank PLC					France	The SCO Group Sati	EUR	0060040	44,081
Deutsche Bank					Germany	The SCO Group GmbH	EUR	3506173	42,593
Royal Bank of Canada					India	SCO Software (India) Pvt Ld.	INR		0
Bank of America	DCM Building KeyfiOthash Sub-Branch	New Delhi		110 001	India	Current Account	JPY	8012492_3607190,68	24,284.84
Mizuho Bank, Ltd						Current Account	JPY	257210	12,476.09
Sumitomo Mitsui Banking Corporation	ShibuyaEkinose Branch					Ordinary Deposit	JPY	2003094	57,517.66
Sumitomo Mitsui Banking Corporation	ShibuyaEkinose Branch					Ordinary Deposit	JPY	3221270	264,784.97
Sumitomo Mitsui Banking Corporation	ShibuyaEkinose Branch					Time Deposit Account Int'l Petty Cash	JPY	795898	0.00
Sumitomo Mitsui Banking Corporation						Total Foreign Subsidiary Restricted Cash -- Nowel			808.84
						Net Foreign			523,684
						Total Cash			523,276.44
						INC FX Adjustment for Japan			3,389,934

(408,301.65)

**STATEMENT OF OPERATIONS**  
(Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

	12/01/2008 through 12/31/2008	Cumulative Filing to Date
<b>REVENUES</b>		
Gross Revenues	\$749,306	\$19,446,972
Less: Returns and Allowances	863	137,705
Net Revenue	\$748,443	\$19,309,267
<b>COST OF GOODS SOLD</b>		
Beginning Inventory	\$146,948	\$160,178
Add: Purchases	2,844	91,395
Add: Cost of Labor	-	1,548,243
Add: Other Costs (attach schedule)	14,030	5,013,435
Less: Ending Inventory	144,539	144,539
Cost of Goods Sold	19,283	6,672,087
Gross Profit	\$729,160	\$12,637,180
<b>OPERATING EXPENSES</b>		
Advertising	\$(4,684)	\$381,374
Auto and Truck Expense	-	-
Bud Debts	-	133,486
Contributions	-	-
Employee Benefits Programs	123,178	1,871,799
Insider Compensation*	-	-
Insurance	35,675	772,375
Management Fees/Bonuses	-	-
Office Expense	61,195	1,095,011
Pension & Profit-Sharing Plans	-	-
Professional Fees (Non-Bankruptcy) <sup>(1)</sup>	134,564	953,322
Repairs and Maintenance	6,375	71,948
Rent and Lease Expense	21,423	739,047
Salaries/Commissions/Fees	276,829	9,195,741
Supplies	2,223	39,634
Taxes - Payroll	-	-
Taxes - Real Estate	271	11,042
Taxes - Other	-	(58,046)
Travel and Entertainment	8,754	532,800
Utilities	1,423	125,337
Other <sup>(2)</sup> (attach schedule)	-	(3,348,186)
Total Operating Expenses Before Depreciation	667,227	12,516,682
Depreciation/Depletion/Amortization	-	208,243
Net Profit (Loss) Before Other Income & Expenses	\$61,933	\$(87,745)
<b>OTHER INCOME AND EXPENSES</b>		
Other Income (Loss) (attach schedule)	\$(36,852)	\$(1,005,162)
Other Expense (attach schedule)	(2,073)	765,778
Intercompany Transfers	-	5,832,524
Net Profit (Loss) Before Reorganization Items	\$27,154	\$(7,691,209)
<b>REORGANIZATION ITEMS</b>		
Professional Fees <sup>(1)</sup>	\$34,613	\$2,599,663
U. S. Trustee Quarterly Fees <sup>(3)</sup>	-	-
Interest Earned on Accumulated Cash from Chapter 11	4,181	96,226
Gain (Loss) from Sale of Equipment	-	(52,452)
Other Reorganization Expenses (attach schedule)	-	-
Total Reorganization Expenses	-	-
Income Taxes	-	85,605
Net Profit (Loss)	\$(3,278)	\$(10,332,702)

(1) Reclassification of September Accrued Professional Fees associated with the Bankruptcy that have been reclassified to Reorganization Items - Professional Fees.

(2) Adjustment to allocate legal expenses surrounding the IBM and Novell litigation to Cost of Goods Sold at Fiscal Quarter Closes (October, January, April & July).

(3) U.S. Trustee Quarterly Fees, due no later than one month following the end of each quarter, are estimated to be \$1,250 for September and at maximum for each quarter thereafter.

\*"Insider" is defined in 11 U.S.C. Section 101(31).

STATEMENT OF OPERATIONS - continuation sheet

BREAKDOWN OF "OTHER" CATEGORY	12/01/2008 through 12/31/2008	Cumulative Filing to Date
<b>Other Costs of Goods Sold</b>		
Cost Overhead	-	\$300,615
Cost Royalty	7,556	3,035,354
Cost Technology	6,213	163,044
Cost Other	262	1,514,421
<b>TOTAL OTHER COST OF GOODS SOLD</b>	<b>\$14,030</b>	<b>\$5,013,435</b>
<b>Other Operational Expenses</b>		
Cost of Goods Sold Reclassification <sup>(1)</sup>	\$ -	\$(3,348,186)
<b>Other Income and Expenses</b>		
Foreign Exchange Gain (Loss)	(23,840)	\$(93,428)
Interest Income/Expense	(13,012)	(911,732)
<b>TOTAL OTHER INCOME (LOSS)</b>	<b>\$(36,852)</b>	<b>\$(1,005,162)</b>
<b>Other Expenses</b>		
Miscellaneous Financial Costs	-	\$3,100
Foreign Exchange Loss	-	2,913
Bank Charges	(1,454)	26,781
Equity in Affiliates	-	1,302,616
Impairment of Assets	-	253,437
Miscellaneous Exp/Inc (SCO Japan Interco Reclass Req'd)	(619)	(823,067)
<b>TOTAL OTHER EXPENSES</b>	<b>\$(2,073)</b>	<b>\$765,778</b>
<b>Other Reorganization Expenses</b>		

(1) Adjustment to allocate departmental expenses, including services, manufacturing and the legal expenses surrounding the IBM and Novell litigation, to Cost of Goods Sold at Fiscal Quarter Closes (October, January, April & July).

Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:  
Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

0

FORM MOR-2 (CONT'D)  
(04/07)

**BALANCE SHEET**

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from postpetition obligations.

ASSETS	BOOK VALUE AT December 31, 2008	BOOK VALUE ON PETITION DATE SEPTEMBER 14, 2007
<b>CURRENT ASSETS</b>		
Unrestricted Cash and Equivalents	\$1,348,354	\$4,023,589
Restricted Cash and Cash Equivalents (see continuation sheet)	1,680,205	1,890,856
Accounts Receivable (Net)	1,421,389	3,092,548
Notes Receivable	-	-
Inventories	144,539	160,178
Prepaid Expenses	560,117	1,527,293
Professional Retainers	-	-
Other Current Assets (attach schedule)	1,833,450	2,433,409
<b>TOTAL CURRENT ASSETS</b>	<b>\$6,988,056</b>	<b>\$13,127,873</b>
<b>PROPERTY AND EQUIPMENT</b>		
Real Property and Improvements	-	-
Machinery and Equipment	-	-
Furniture, Fixtures and Office Equipment	3,185,723	3,420,803
Leasehold Improvements	635,682	507,934
Vehicles	27,605	27,605
Less Accumulated Depreciation	3,849,010	3,635,938
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>	<b>\$ -</b>	<b>\$320,404</b>
<b>OTHER ASSETS</b>		
Loans to Insiders*	-	-
Other Assets (attach schedule)	2,044,803	2,044,803
<b>TOTAL OTHER ASSETS</b>	<b>\$2,044,803</b>	<b>\$2,044,803</b>
<b>TOTAL ASSETS</b>	<b>\$9,032,859</b>	<b>\$15,493,080</b>
<b>LIABILITIES AND OWNER EQUITY</b>		
<b>LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)</b>		
Accounts Payable	797,467	8,259
Taxes Payable (refer to FORM MOR-4)	608,922	697,681
Wages Payable	530,782	541,776
Notes Payable	-	-
Rent / Leases - Building/Equipment	-	-
Secured Debt / Adequate Protection Payments	-	-
Professional Fees	17,221	153,165
Amounts Due to Insiders*	-	-
Other Postpetition Liabilities (attach schedule)	2,582,682	3,880,821
<b>TOTAL POSTPETITION LIABILITIES</b>	<b>\$4,537,074</b>	<b>\$5,281,702</b>
<b>LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)</b>		
Secured Debt	-	-
Priority Debt	-	-
Unsecured Debt	6,967,736	1,950,896
<b>TOTAL PRE-PETITION LIABILITIES<sup>(1)</sup></b>	<b>\$6,967,736</b>	<b>\$1,950,896</b>
<b>TOTAL LIABILITIES</b>	<b>\$11,504,810</b>	<b>\$7,232,598</b>
<b>OWNER EQUITY</b>		
Capital Stock	21,899	21,783
Additional Paid-In Capital	263,054,974	260,873,412
Partners' Capital Account	-	-
Owner's Equity Account	-	-
Retained Earnings - Pre-Petition <sup>(2)</sup>	(255,169,460)	(253,444,600)
Retained Earnings - Postpetition <sup>(2)</sup>	(10,332,702)	-
Adjustments to Owner Equity (attach schedule)	(46,662)	809,887
Postpetition Contributions (Distributions) (Draws) (attach schedule)	\$(2,471,951)	\$8,260,482
<b>NET OWNER EQUITY</b>	<b>\$(2,471,951)</b>	<b>\$8,260,482</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>\$9,032,859</b>	<b>\$15,493,080</b>

(1) Total Pre-Petition Liabilities does not reconcile to the amount stated on the Schedules of Assets and Liabilities filed on October 15, 2007 due to timing differences and allocation of accruals.

(2) Due to the allocation of accruals and adjustments booked at month end, the net loss for the 9/15 to 9/30 period does not reconcile to the change in retained earnings. There will not be an unreconciled difference in future periods as Company reporting periods will correspond with the Monthly Operating Report periods.

\*"Insider" is defined in 11 U.S.C. Section 101(31).

**BALANCE SHEET - continuation sheet**

ASSETS	BOOK VALUE AT December 31, 2008	BOOK VALUE ON PETITION DATE SEPTEMBER 14, 2007
Other Current Assets		
Accounts Receivable Credit Card Batch	\$10,999	\$18,583
Interest Income Receivable	-	6,182
Employee Travel Advance	-	14,250
Other Receivables	31,069	67,060
Deposits	232,576	97,836
Interdivision Transfers	(114,399)	-
Intercompany Receivables - SCO Group	1,375,274	1,745,258
Intercompany Receivables - SCO India	-	127,598
Intercompany Receivables - SCO Japan	297,932	356,642
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>\$1,833,450</b>	<b>\$2,433,409</b>
Other Assets		
Goodwill	2,042,600	2,042,600
Investment in Affiliates	2,203	2,203
<b>TOTAL OTHER ASSETS</b>	<b>\$2,044,803</b>	<b>\$2,044,803</b>
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT December 31, 2008	BOOK VALUE ON PETITION DATE SEPTEMBER 14, 2007
Other Postpetition Liabilities:		
Accrued Co-op Advertising	122,165	234,720
E*Trade Cash Accrual	-	125
Accrued Expense - Research & Development	8,108	130,779
Accrued Expense - Sales & Marketing	42,640	134,489
Accrued Expense - General & Administrative	28,530	10,500
Accrued Expense - General Legal	7,297	132,500
Accrued Expense - Chapter 11 Fees	453	-
Accrued Expense - Escrow Legal	5,642	425,455
Accrued Expense - Other	-	45,262
Deferred Income - Services	529,681	1,223,830
Deferred Income -PS CONTRAT AC	17,246	9,273
Deferred Income-SES	138,558	341,882
Deferred Income-SES	2,731	722
Deferred Revenue	23,000	25,616
Deferred Customer Liability	482,653	482,653
Deferred Revenue @ DISTRIB	126,427	176,994
Royalties Payable	17,088	41,231
Accrued Royalties Payable	49,150	146,405
Royalties Payable to Novell	38,329	133,984
Intercompany Payables - UK	187,351	-
Intercompany Payables - SCO Germany	212,772	-
Intercompany Payables - SCO France	28,987	-
Intercompany Payables - SCO Canada	11,446	-
Intercompany Payables - SCO India	434,226	-
Dilapidation Accrual	68,202	184,401
<b>TOTAL OTHER POSTPETITION LIABILITIES</b>	<b>\$2,582,682</b>	<b>\$3,880,821</b>
Adjustments to Owner Equity:		
Warrants Outstanding	-	856,549
Dividends Declared	2,399,095	2,399,095
Treasury Stock	(2,445,757)	(2,445,757)
<b>TOTAL OTHER ADJUSTMENTS TO OWNER EQUITY</b>	<b>\$(46,662)</b>	<b>\$809,887</b>
Postpetition Contributions (Distributions) (Draws)		



In re SCO Operations, Inc.  
Debtor

Case No. 07-11338 (KG)  
Reporting Period: as of 12/31/08

**STATUS OF POSTPETITION TAXES**

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.  
Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.  
Attach photocopies of any tax returns filed during the reporting period.

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
Federal						
Withholding						
FICA-Employee						
FICA-Employer						
Unemployment						
Income						
Other: _____						
Total Federal Taxes						
State and Local						
Withholding						
Sales						
Excise						
Unemployment						
Real Property						
Personal Property						
Other: _____						
Total State and Local						
Total Taxes						

See attestation letter

See attestation letter

**SUMMARY OF UNPAID POSTPETITION DEBTS**

Attach aged listing of accounts payable.

	Current	0-30	Number of Days Past Due			Over 90	Total
			31-60	61-90			
Accounts Payable	\$ 217,260	\$ 85,111	\$ 55,724	\$ -	\$ -	\$ 439,372	\$ 797,467
Wages Payable	530,782	-	-	-	-	-	530,782
Taxes Payable	608,922	-	-	-	-	-	608,922
Rent/Leases-Building	-	-	-	-	-	-	-
Rent/Leases-Equipment	-	-	-	-	-	-	-
Secured Debt/Adequate Protection Payments	-	-	-	-	-	-	-
Professional Fees	17,221	-	-	-	-	-	17,221
Amounts Due to Insiders*	-	-	-	-	-	-	-
Other: Other Postpetition Liabilities	2,582,682	-	-	-	-	-	2,582,682
Total Postpetition Debts	\$ 3,956,867	\$ 85,111	\$ 55,724	\$ -	\$ -	\$ 439,372	\$ 4,537,074

Explain how and when the Debtor intends to pay any past-due postpetition debts.

\*"Insider" is defined in 11 U.S.C. Section 101(31).

**ACCOUNTS RECEIVABLE RECONCILIATION AND AGING**

<b>Accounts Receivable Reconciliation</b>	<b>Amount</b>
Total Accounts Receivable at the beginning of the reporting period	\$2,428,827
+ Amounts billed during the period	548,365
- Amounts collected during the period	1,325,137
Total Accounts Receivable at the end of the reporting period	<u>\$1,652,055</u>
<b>Accounts Receivable Aging</b>	
0 - 30 days old	1,078,229
31 - 60 days old	229,898
61 - 90 days old	177,568
91+ days old	<u>203,762</u>
Accounts Receivable	1,689,456
Foreign Exchange Adjustment	<u>(37,401)</u>
Total Accounts Receivable	1,652,055
Receivables-Royalties	23,717
Other Receivables	3,798
Allowance for Sales Returns	(70,706)
Allowance for Doubtful Accounts	<u>(187,475)</u>
Accounts Receivable (Net)	<u>\$1,421,389</u>

**DEBTOR QUESTIONNAIRE**

<b>Must be completed each month</b>	<b>Yes</b>	<b>No</b>
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X

February 3, 2009

Re: The SCO Group, Inc., et al.  
Del. Bankr. No. 07-11337  
Attestation Regarding Postpetition Taxes

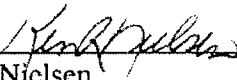
Office of the United States Trustee

The above-captioned debtors (the "Debtors") hereby submit the attestation regarding postpetition taxes.

All postpetition taxes for the Debtors, which are not subject to dispute or reconciliation, are current. There are no material tax disputes or reconciliations.

Dated: 2/3/2009

THE SCO GROUP, INC. and SCO  
OPERATIONS, INC.

By:  \_\_\_\_\_  
Ken Nielsen  
Chief Financial Officer