

**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 01/31/09

**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

  
\_\_\_\_\_  
Signature of Authorized Individual\*

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Printed Name of Authorized Individual

  
\_\_\_\_\_  
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				01/01/2009 through 01/31/2009		CUMULATIVE FILING TO DATE	
	OPER.	PAYROLL	TAX	OTHER	ACTUAL	PROJECTED	ACTUAL	PROJECTED
<b>CASH BEGINNING OF MONTH</b>					\$3,028,559	\$2,291,643	\$5,914,445	\$6,134,160
<b>RECEIPTS</b>								
CASH SALES								
ACCOUNTS RECEIVABLE	N/A				916,000	1,200,000	20,518,754	23,509,229
LOANS AND ADVANCES								
SALE OF ASSETS								
OTHER (ATTACH LIST)					36,452	25,000	2,476,425	301,178
TRANSFERS (FROM DIP ACCTS)								
<b>TOTAL RECEIPTS</b>					\$952,452	\$1,225,000	\$22,995,179	\$23,810,407
<b>DISBURSEMENTS</b>								
NET PAYROLL					227,948	354,350	5,764,837	8,633,550
PAYROLL TAXES					126,905	54,522	2,805,927	1,099,016
SALES, USE, & OTHER TAXES					10,484	7,500	65,503	120,000
INVENTORY PURCHASES					4,727	12,000	522,457	733,380
SECURED/ RENTAL/ LEASES					48,533	38,744	862,983	789,780
INSURANCE					62,125	156,730	1,642,245	2,505,672
ADMINISTRATIVE & SELLING					130,133	131,624	4,156,332	2,605,577
NON-BANKRUPTCY PROFESSIONAL FEES					63,747	130,000	1,255,871	2,592,000
OTHER (ATTACH LIST)					20,298	30,000	992,953	552,797
OWNER DRAW *					0			
TRANSFERS (TO DIP ACCTS)								
FUNDING OF SUBSIDIARIES					265,786	260,073	5,697,844	4,505,195
PROFESSIONAL FEES					34,013	235,000	2,107,236	3,670,250
U.S. TRUSTEE QUARTERLY FEES					10,725		59,850	31,250
COURT COSTS		0						
<b>TOTAL DISBURSEMENTS</b>					\$1,005,424	\$1,410,543	\$25,934,037	\$27,838,467
<b>NET CASH FLOW</b> (RECEIPTS LESS DISBURSEMENTS)					\$(52,972)	\$(185,543)	\$(2,938,858)	\$(4,028,060)
<b>CASH - END OF MONTH</b>	(SEE BANK ACCOUNTS LIST)				\$2,975,587	\$2,106,100	\$2,975,587	\$2,106,100

\* 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		\$1,005,424
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>1,005,424</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**

	01/01/2009 through 01/31/2009	CUMULATIVE FILING TO DATE
<b>Other Receipts</b>		
Interest	\$3,058	\$213,671
Sale Of Asset		509,500.00
China Investment - Royalty from Japan		802,643.65
Employee Reimbursement & Refunds	106	30,756.97
Restricted Cash - Novell SVRx		644,335.09
Tax Refund		2,948.48
Cobra Refund	2,727.52	22,995.86
Refund from Vendor		104,501.40
FX	30,560.15	145,065.54
Total	\$36,452	\$2,476,418
<b>Other Disbursements</b>		
Novell SVRx Fee	14,506.18	460,962
Leasehold Improvement		22,917
Security Deposit		225,000
Refund		-
Bank Fees	5,791.54	51,506
FX		232,568
Total	\$20,298	\$992,953

**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

March 13, 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: 3/13/2009

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

By: Ken Nielsen  
Ken Nielsen  
Chief Financial Officer

In re SCO Operations, Inc.  
Debtor

Case No. 07-11338 (KG)  
Reporting Period: as of 01/31/09

**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	\$9,100			
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		5,990		
Kevin McBride	9/15/07 to 9/30/07			015131	11/5/07	3,860			
Epiq	September, 2007			601816	12/21/07	6,293			
Berger Singerman	October, 2007			000008	12/18/07	144,555	5,177		
Boetticher Hasse	October, 2007			003034	12/11/07	632	22		
Kevin McBride	October, 2007			015132	12/3/07	30,750			
Madson & Austin	October, 2007			601804	12/18/07	646			
Madson & Austin	November, 2007			000005	12/7/07	6,715			
Madson & 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		
Boetticher Hasse	Sept - Dec 2007			A33036	1/14/08	18,961	20		
Kevin McBride	November, 2007			15133	1/10/08	20,000			
Madson & Austin	November, 2007			601850	1/4/08	2,076	604		
Coltrin & Associates	Oct 07 - Jan 08			601895	1/11/08	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			
Madson & 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		
Mesirow	Sept 14 - Nov 07			40041	2/5/08	359,911	48,702		

**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
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 Hasse	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 Dailles	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		



**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			40256	6/6/08	340			
Jackson Hole Advisors	May 2008			40263	6/6/08	2,650			
Madsen & 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	8/11/08	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		

**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
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		

In re SCO Operations, Inc.  
Debtor

Case No. 07-11338 (KG)  
Reporting Period: as of 01/31/09

**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 & CO	Oct 08			40736	12/5/08	18,783	777		
MESIROW	Mar 08			40758	12/12/08	3,617			
BERGER SINGERMAN	Oct 08			40844	1/9/09	8,436	356		
BERGER SINGERMAN	Nov 08			40875	1/23/09	8,030	219		
EPIQ BANKRUPTCY	Nov 8			40817	1/9/09	4,784	755		
MESIROW	April 08			40886	1/23/09	1,000			
PACHULSKI STANG ZIEHL	July 08			40825	1/9/09	3,586	552		
PACHULSKI STANG ZIEHL	Aug 08			40889	1/23/09	4,880	1,414		
TANNER & CO	Nov 08			40833	1/9/09	9,711	78		
DORSEY & WHITNEY	Aug to Sept 08			40816	1/9/09	4,782	13		
DORSEY & WHITNEY	Aug to Sept 08			40879	1/23/09	5,709	81		
KEVIN MCBRIDE	Oct 08			15177	1/1/09	20,000			
KEVIN MCBRIDE	Nov 08			15178	1/9/09	20,000			
THAKKER & THAKKER	Sept to Nov 08			40834	1/9/09	261			
VERDICT SYSTEMS	Feb 08			15176	1/1/09	595			
MADSON & AUSTIN	Sept 08			040885	1/23/09	2,518			
<b>SUBTOTAL</b>						\$3,155,490	\$207,616		

FORM MOR-1b  
(04/07)



**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.

REVENUES	01/01/2009 through 01/31/2009	Cumulative Filing to Date
Gross Revenues	\$1,475,827	\$20,922,799
Less: Returns and Allowances	2,377	140,082
Net Revenue	\$1,473,451	\$20,782,718
<b>COST OF GOODS SOLD</b>		
Beginning Inventory	\$144,539	\$160,178
Add: Purchases	2,707	94,102
Add: Cost of Labor	207,087	1,754,820
Add: Other Costs (attach schedule)	233,773	5,247,209
Less: Ending Inventory	141,661	141,661
Cost of Goods Sold	446,446	7,118,534
Gross Profit	\$1,027,004	\$13,664,184
<b>OPERATING EXPENSES</b>		
Advertising	\$33,208	\$414,582
Auto and Truck Expense	-	-
Bad Debts	(55,902)	77,583
Contributions	-	-
Employee Benefits Programs	78,033	1,949,832
Insider Compensation*	-	-
Insurance	35,981	808,355
Management Fees/Bonuses	-	-
Office Expense	69,014	1,164,026
Pension & Profit-Sharing Plans	-	-
Professional Fees (Non-Bankruptcy) <sup>(1)</sup>	71,974	1,025,296
Repairs and Maintenance	-	71,948
Rent and Lease Expense	58,691	797,737
Salaries/Commissions/Fees	619,484	9,815,225
Supplies	(2,242)	37,392
Taxes - Payroll	-	-
Taxes - Real Estate	271	11,313
Taxes - Other	-	(58,046)
Travel and Entertainment	11,804	544,605
Utilities	9,257	134,594
Other <sup>(2)</sup> (attach schedule)	(394,642)	(3,742,829)
Total Operating Expenses Before Depreciation	534,931	13,051,613
Depreciation/Depletion/Amortization	-	208,243
Net Profit (Loss) Before Other Income & Expenses	\$492,073	\$404,328
<b>OTHER INCOME AND EXPENSES</b>		
Other Income (Loss) (attach schedule)	\$(219)	\$(1,005,381)
Other Expense (attach schedule)	492,338	1,258,116
Intercompany Transfers	505,299	6,337,822
Net Profit (Loss) Before Reorganization Items	\$(505,782)	\$(8,196,991)
<b>REORGANIZATION ITEMS</b>		
Professional Fees <sup>(1)</sup>	\$195,543	\$2,795,206
U. S. Trustee Quarterly Fees <sup>(3)</sup>	-	-
Interest Earned on Accumulated Cash from Chapter 11	3,058	99,285
Gain (Loss) from Sale of Equipment	-	(52,452)
Other Reorganization Expenses (attach schedule)	-	-
Total Reorganization Expenses	-	-
Income Taxes	39,725	125,330
Net Profit (Loss)	\$(744,109)	\$(11,070,694)

- (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	01/01/2009 through 01/31/2009	Cumulative Filing to Date
<b>Other Costs of Goods Sold</b>		
Cost Overhead	43,024	\$343,639
Cost Royalty	46,254	3,081,609
Cost Technology	(6,946)	156,098
Cost Other	151,441	1,665,862
<b>TOTAL OTHER COST OF GOODS SOLD</b>	<b>\$233,773</b>	<b>\$5,247,209</b>
<b>Other Operational Expenses</b>		
Cost of Goods Sold Reclassification <sup>(1)</sup>	\$(394,642)	\$(3,742,828)
<b>Other Income and Expenses</b>		
Foreign Exchange Gain (Loss)	57,968	\$(35,460)
Interest Income/Expense	(58,187)	(969,919)
<b>TOTAL OTHER INCOME (LOSS)</b>	<b>\$(219)</b>	<b>\$(1,005,381)</b>
<b>Other Expenses</b>		
Miscellaneous Financial Costs	-	\$3,100
Foreign Exchange Loss	-	2,913
Bank Charges	(5,945)	20,836
Equity in Affiliates	181,085	1,483,701
Impairment of Assets	-	253,437
Miscellaneous Exp/Inc (SCO Japan Interco Reclass Req'd)	317,198	(505,869)
<b>TOTAL OTHER EXPENSES</b>	<b>\$492,338</b>	<b>\$1,258,116</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.

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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 January 31, 2009	BOOK VALUE ON PETITION DATE SEPTEMBER 14, 2007
<b>CURRENT ASSETS</b>		
Unrestricted Cash and Equivalents	\$1,327,569	\$4,023,589
Restricted Cash and Cash Equivalents (see continuation sheet)	1,648,018	1,890,856
Accounts Receivable (Net)	2,226,497	3,092,548
Notes Receivable	-	-
Inventories	141,661	160,178
Prepaid Expenses	369,734	1,527,293
Professional Retainers	-	-
Other Current Assets (attach schedule)	1,516,276	2,433,409
<b>TOTAL CURRENT ASSETS</b>	<b>\$7,229,754</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>\$9,274,557</b>	<b>\$15,493,080</b>
<b>LIABILITIES AND OWNER EQUITY</b>		
<b>LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)</b>		
Accounts Payable	886,794	8,259
Taxes Payable (refer to FORM MOR-4)	628,880	697,681
Wages Payable	701,131	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)	3,099,232	3,880,821
<b>TOTAL POSTPETITION LIABILITIES</b>	<b>\$5,333,257</b>	<b>\$5,281,702</b>
<b>LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)</b>		
Secured Debt	-	-
Priority Debt	-	-
Unsecured Debt	6,976,275	1,950,896
<b>TOTAL PRE-PETITION LIABILITIES<sup>(1)</sup></b>	<b>\$6,976,275</b>	<b>\$1,950,896</b>
<b>TOTAL LIABILITIES</b>	<b>\$12,309,532</b>	<b>\$7,232,598</b>
<b>OWNER EQUITY</b>		
Capital Stock	21,899	21,783
Additional Paid-In Capital	263,236,059	260,873,412
Partners' Capital Account	-	-
Owner's Equity Account	-	-
Retained Earnings - Pre-Petition <sup>(2)</sup>	(255,175,576)	(253,444,600)
Retained Earnings - Postpetition <sup>(2)</sup>	(11,070,694)	-
Adjustments to Owner Equity (attach schedule)	(46,662)	809,887
Postpetition Contributions (Distributions) (Draws) (attach schedule)	-	-
<b>NET OWNER EQUITY</b>	<b>\$(3,034,975)</b>	<b>\$8,260,482</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>\$9,274,557</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 January 31, 2009	BOOK VALUE ON PETITION DATE SEPTEMBER 14, 2007
<b>Other Current Assets</b>		
Accounts Receivable Credit Card Batch	\$11,994	\$18,583
Interest Income Receivable	-	6,182
Employee Travel Advance	-	14,250
Other Receivables	22,686	67,060
Deposits	232,075	97,836
Interdivision Transfers	(484,383)	-
Intercompany Receivables - SCO Group	1,745,258	1,745,258
Intercompany Receivables - SCO India	-	127,598
Intercompany Receivables - SCO Japan	(11,353)	356,642
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>\$1,516,276</b>	<b>\$2,433,409</b>
<b>Other Assets</b>		
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 January 31, 2009	BOOK VALUE ON PETITION DATE SEPTEMBER 14, 2007
<b>Other Postpetition Liabilities</b>		
Accrued Co-op Advertising	109,000	234,720
E*Trade Cash Accrual	-	125
Accrued Expense - Research & Development	17,802	130,779
Accrued Expense - Sales & Marketing	24,656	134,489
Accrued Expense - General & Administrative	35,020	10,500
Accrued Expense - General Legal	40,028	132,500
Accrued Expense - Chapter 11 Fees	-	-
Accrued Expense - Escrow Legal	(55,736)	425,455
Accrued Expense - Other	38,198	45,262
Deferred Income - Services	671,935	1,223,830
Deferred Income -PS CONTRAT AC	16,551	9,273
Deferred Income-SES	190,834	341,882
Deferred Income-SES	3,058	722
Deferred Revenue	23,000	25,616
Deferred Customer Liability	482,653	482,653
Deferred Revenue @ DISTRIB	130,417	176,994
Royalties Payable	43,434	41,231
Accrued Royalties Payable	99,746	146,405
Royalties Payable to Novell	23,823	133,984
Intercompany Payables - UK	299,553	-
Intercompany Payables - SCO Germany	298,643	-
Intercompany Payables - SCO France	63,607	-
Intercompany Payables - SCO Canada	11,446	-
Intercompany Payables - SCO India	463,364	-
Dilapidation Accrual	68,202	184,401
<b>TOTAL OTHER POSTPETITION LIABILITIES</b>	<b>\$3,099,232</b>	<b>\$3,880,821</b>
<b>Adjustments to Owner Equity</b>		
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>
<b>Postpetition Contributions (Distributions) (Draws)</b>		



**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
<b>Federal</b>						
Withholding						
FICA-Employee						
FICA-Employer						
Unemployment						
Income						
Other: _____						
Total Federal Taxes						
<b>State and Local</b>						
Withholding						
Sales						
Excise						
Unemployment						
Real Property						
Personal Property						
Other: _____						
Total State and Local						
Total Taxes						

See attestation letter

**SUMMARY OF UNPAID POSTPETITION DEBTS**

Attach aged listing of accounts payable.

	Current	Number of Days Past Due				Total
		0-30	31-60	61-90	Over 90	
Accounts Payable	\$ 238,880	\$ 119,881	\$ 154,635	\$ -	\$ 373,397	\$ 886,794
Wages Payable	701,131	-	-	-	-	701,131
Taxes Payable	628,880	-	-	-	-	628,880
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	3,099,232	-	-	-	-	3,099,232
Total Postpetition Debts	\$ 4,685,343	\$ 119,881	\$ 154,635	\$ -	\$ 373,397	\$ 5,333,257

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**

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	\$1,652,055
+ Amounts billed during the period	1,463,581
- Amounts collected during the period	916,000
Total Accounts Receivable at the end of the reporting period	\$2,199,636

Accounts Receivable Aging	
0 - 30 days old	1,300,303
31 - 60 days old	273,778
61 - 90 days old	126,484
91+ days old	499,071
Accounts Receivable	2,199,636
Foreign Exchange Adjustment	0
Total Accounts Receivable	2,199,636
Receivables-Royalties	225,024
Other Receivables	4,181
Allowance for Sales Returns	(90,440)
Allowance for Doubtful Accounts	(111,904)
Accounts Receivable (Net)	\$2,226,497

**DEBTOR QUESTIONNAIRE**

Must be completed each month	Yes	No
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

March 13, 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: 3/13/2009

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

By:   
Ken Nielsen  
Chief Financial Officer