



The SCO Group Files Formal Reorganization Plan With Bankruptcy Court

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SCO announces public auction of mobile business and UNIX OpenServer business lines

LINDON, Utah, Jan. 12 /PRNewswire-FirstCall/ -- The SCO Group, Inc., (Pink Sheets: SCOXQ) a leading provider of UNIX(R) software technology and a provider of mobility solutions, today announced that it has filed a formal Reorganization Plan ("Plan") and Disclosure Statement with the Bankruptcy Court in Delaware on Thursday, January 8, 2009.

As part of the proposed reorganization plan, SCO intends to conduct a public auction to secure additional operating funds and investment in its OpenServer product line as well as its mobile business. The Company believes that the auction will maximize the value of an asset sale and will ensure the ongoing development of these businesses. Several investment groups have expressed interest to SCO in acquiring assets via the public auction. "We believe that with this approach, it will maximize customer and shareholder value and expedite the investor process" said Jeff Hunsaker, president and chief operating officer, SCO Operations, "One goal of this approach is to separate the legal defense of our intellectual property rights from our core product business. The auction process is expected to ensure that the future revenue from the OpenServer and mobile businesses stays with those assets and provides an uninterrupted path forward for our customers, products and employees," said Hunsaker.

In the event that certain SCO assets are not sold, SCO will continue to sell and support its UNIX and mobile products and services including UnixWare, OpenServer, SCO Mobile Server and select mobile applications. These efforts will be supplemented by certain cost cutting measures and by pricing and licensing options for customers. SCO is also expected to ship key products in 2009 including SCO UNIX Virtual product lines for VMware and Hyper-V that allows SCO legacy applications to run on modern hardware. It also is expected to ship FCmobilelife and FCtasks for the iPhone.

The Plan is subject to, among other conditions, Bankruptcy Court approval. A hearing for approval of the Disclosure Statement is scheduled before the Bankruptcy Court on February 25, 2009.

"This is an important step forward in emerging from Chapter 11 bankruptcy," said Darl McBride, chief executive officer of The SCO Group. "Following the adverse summary judgment ruling in August, 2007 in the Novell litigation, SCO was forced to protect its business, shareholders and customer base. Since then, we have worked diligently to prepare a plan to emerge from bankruptcy protection and move our products and customers forward. We believe this plan helps us reach that goal."

Now in its 30th year, SCO has over 2 million servers that have been installed worldwide. SCO looks forward to implementing its new reorganization plan and to serving its valued customers and partners.

About SCO

The SCO Group (PINKSHEETS: SCOXQ.PK) is a leading provider of UNIX software technology and a provider of mobility solutions. SCO offers UnixWare for enterprise applications and SCO OpenServer for small to medium businesses. SCO's innovative and reliable solutions help customers grow their businesses everyday. SCO owns the UNIX operating system, originally developed by AT&T/Bell Labs and is the exclusive licensor to UNIX-based system software providers. The Me Inc. product line focuses on creating mobile platforms, services and solutions for businesses and enhances the productivity of mobile workers.

Headquartered in Lindon, Utah, SCO has a worldwide network of resellers and developers. SCO Global Services provides reliable localized support and services to partners and customers. For more information on SCO products and services, visit www.sco.com.

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Forward-Looking Statements

The statements contained in this press release regarding (i) the transactions contemplated in the memorandum of

understanding and the Company's plan of reorganization, (ii) the contemplated benefits of the Company's plan of reorganization for customers, partners, stockholders, employees, and others, (iii) the Company's business plan regarding its UNIX product line, new products and services and the pursuit of its legal claims, (iv) the expectations of potential investors with respect to the Company and its prospects, (v) bankruptcy court processes and approvals respecting the Company's plan of reorganization, (vi) other statements that are not historical facts are forward-looking statements and are made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are subject to risks and uncertainties. We wish to advise readers that a number of important factors could cause actual results to differ materially from historical results or those anticipated in such forward-looking statements. These factors include, but are not limited to developments with respect to the confirmation of a plan of reorganization, the outcomes and developments in our Chapter 11 case, court rulings in the bankruptcy proceedings, the impact of the bankruptcy proceedings or other pending litigation, developments in our litigation, our cash balances and available cash, continued competitive pressure on the Company's operating system products, which could impact the Company's results of operations, adverse developments in and increased or unforeseen legal costs related to the Company's litigation, the inability to devote sufficient resources to the development and marketing of the Company's products, including the Me Inc. mobile services and development platform, and the possibility that customers and companies with whom the Company has formed partnerships will decide to terminate or reduce their relationships with the Company. These and other factors that could cause actual results to differ materially from those anticipated are discussed in more detail in the Company's periodic and current filings with the Securities and Exchange Commission, including the Company's Form 10-K for the fiscal year ended October 31, 2008, and future filings with the SEC. These forward-looking statements speak only as of the date on which such statements are made, and the Company undertakes no obligation to update such statements to reflect events or circumstances arising after such date, except as required by law.

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