

**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 12/31/07

**AMENDED 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				12/1/2007 through 12/31/2007		CUMULATIVE FILING TO DATE	
	OPER.	PAYROLL	TAX	OTHER	ACTUAL	PROJECTED	ACTUAL	PROJECTED
<b>CASH BEGINNING OF MONTH</b>					\$5,979,107	\$5,379,956	\$5,914,445	\$6,134,160
<b>RECEIPTS</b>								
CASH SALES								
ACCOUNTS RECEIVABLE	N/A				1,324,749	1,501,907	4,990,868	5,251,257
LOANS AND ADVANCES								
SALE OF ASSETS								
OTHER (ATTACH LIST)					539,443	21,983	708,154	71,465
TRANSFERS (FROM DIP ACCTS)								
<b>TOTAL RECEIPTS</b>					\$1,864,192	\$1,523,890	\$5,699,022	\$5,322,722
<b>DISBURSEMENTS</b>								
NET PAYROLL					601,063	859,300	1,623,756	2,461,000
PAYROLL TAXES					242,149	67,151	785,669	202,310
SALES, USE, & OTHER TAXES					212	7,500	4,895	22,500
INVENTORY PURCHASES					23,384	102,000	42,367	157,000
SECURED/ RENTAL/ LEASES					141,100	94,313	339,896	286,109
INSURANCE					79,714	106,730	340,469	373,555
ADMINISTRATIVE & SELLING					225,961	183,248	818,851	841,128
NON-BANKRUPTCY PROFESSIONAL FEES					47,595	200,000	154,722	667,000
OTHER (ATTACH LIST)					5,414	10,000	32,037	185,423
OWNER DRAW *								
TRANSFERS (TO DIP ACCTS)								
FUNDING OF SUBSIDIARIES					239,741	319,923	1,171,558	803,426
PROFESSIONAL FEES					156,025	247,750	216,806	750,250
U.S. TRUSTEE QUARTERLY FEES					0		1,500	1,250
COURT COSTS					0			
<b>TOTAL DISBURSEMENTS</b>					\$1,762,358	\$2,197,914	\$5,532,526	\$6,750,950
<b>NET CASH FLOW</b> (RECEIPTS LESS DISBURSEMENTS)					\$101,834	\$(674,024)	\$166,496	\$(1,428,228)
<b>CASH - END OF MONTH</b>	(SEE BANK ACCOUNTS LIST)				\$6,080,941	\$4,705,932	\$6,080,941	\$4,705,931

\* 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)			
<b>TOTAL DISBURSEMENTS</b>			\$1,762,358
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>		\$	1,762,358

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.

In re SCO Operations, Inc.  
Debtor

Case No. 07-11338 (KG)  
Reporting Period: as of 12/31/2007

**Other Receipts/Disbursements Attachment**

	12/1/2007 through 12/31/2007	CUMULATIVE FILING TO DATE
Other Receipts		
Interest	\$24,132	\$118,006
Sale Of Asset	509,500	509,500
Employee Reimbursement & Refunds	-	12,356
Restricted Cash - Novell SVRx	-	8,371
NJ Tax Refund	-	127
Cobra Refund	-	731
Refund from Vendor	-	37,500
FX	5,811	21,563
Total	\$539,443	\$708,154
Other Disbursements		
Novell SVRx Fee	2,696	24,320
Bank Fees	2,718	5,843
FX	-	1,874
Total	\$5,414	\$32,037

FORM MOR-1 (CONT'D)  
(04/07)

In re SCO Operations, Inc.  
Debtor

Case No. 07-11338 (KG)  
Reporting Period: as of 12/31/2007

**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**



February 14, 2008

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

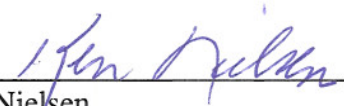
Office of the United States Trustee

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: 02/14/2008

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

By:   
Ken Nielsen  
Chief Financial Officer

In re SCO Operations, Inc.  
Debtor

Case No. 07-11338 (KG)  
Reporting Period: as of 12/31/2007

**AMENDED 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			
<b>Other Contractors</b>	<b>fr per-9/14</b>			<b>Various</b>	<b>October</b>	<b>90,000</b>			
Berger Singerman	As of 9/30			601710	11/26/07	54,791			
Berger Singerman	As of 9/30			601660	11/9/07		5,990.00		
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	5,177.33		
Boetticher Hasse	October, 2007			003034	12/11/07	632	21.98		
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			
<b>Total</b>						<b>\$360,339</b>	<b>\$11,189</b>		

† Amended information has been highlighted in bold

SCO OPERATIONS  
BANK ACCOUNTS

USD										In Currency Balances	
BANK	ADDRESS	CITY	STATE	ZIP	COUNTRY	ACCOUNT NAME	ACCOUNT TYPE	ACCOUNT #	12/31/2007 Balances		
AIB	Ashtford House Street PO Box 518, Tara	Dublin 2	Dublin 2		Ireland	SCO Operations Inc.	USD	61348635	967,786.07		
AIB	Ashtford House Street PO Box 518, Tara	Dublin 2	Dublin 2		Ireland	SCO Operations Inc.	GBP	61348981	449,659.26		
AIB	Ashtford House IFSC Branch 462 West 800 North	Clarlion Quay	Dublin 1		Ireland	SCO Operations Inc.	EUR	61350667	742,545.87		
Zions Bank	462 West 800 North	Orem	UT	84057	Ireland	SCO Operations Inc.	EUR	08907188	506,713.30		
Zions Bank	462 West 800 North	Orem	UT	84057	Ireland	SCO Operations Inc.	CREDIT CARD	071026363	244,788.85		
Zions Bank	462 West 800 North	Orem	UT	84057	Ireland	SCO Operations Inc.	LOCKBOX	071026348	0.00		
Zions Bank	462 West 800 North	Orem	UT	84057	Ireland	SCO Operations Inc.	OPERATING	071026355	0.00		
Zions Bank	462 West 800 North	Orem	UT	84057	Ireland	SCO Operations Inc.	PAYROLL	071026371	(2,639.17)		
Zions Bank	462 West 800 North	Orem	UT	84057	Ireland	SCO Operations Inc.	SWEET	082500026	393,808.42		
Zions Bank	462 West 800 North	Orem	UT	84057	Ireland	SCO Operations Inc.	MONEY MARKET	071520449	0.00		
Zions Bank (1)	462 West 800 North	Orem	UT	84057	Ireland	SCO Operations Inc.	NEW OPERATING	071039562	245,499.79		
Zions Bank (1)	462 West 800 North	Orem	UT	84057	Ireland	SCO Operations Inc.	NEW MONEY MARKET	071528947	760,631.96		
Zions Bank (1)	462 West 800 North	Orem	UT	84057	Ireland	SCO Operations Inc.	NEW CREDIT CARD	071039560	(11.00)		
Wells Fargo Brokerage	299 S. Main Street 31st Floor	SLC	UT	84111	Ireland	SCO Operations Inc.	Investment	12821708	1,813,730.85		
CSFB	227 West Monroe St.	Chicago	IL	60606-5016	Ireland	SCO Group, Inc.	Liquid Asset	2C1-003435	0.00		
Zions Bank	One South Main St.	SLC	UT	84111	Ireland	The SCO Group, Inc.	Management	7745960	0.00		
Chigroup Global	60 East South Temple	SLC	UT	84111	Ireland	The SCO Group, Inc.	Liquid Asset	508-70894-14 156	528,566.02		
Latin American Cash							Management		24,153.28		
Petty Cash									300.00		

Total Cash before Restricted  
Uncleared Disbursements  
Restricted Cash -- Novel  
SVFR

6,168,820.16  
(87,875.96)

(1) New accounts opened during November, 2007

Notes:

Total SCO Ops Bank  
Accounts  
INC FX Adjustment

6,080,940.20  
6,080,940.20

FOREIGN  
SUBSIDIARY BANK  
ACCOUNTS

In Currency Balances										In Currency Balances	
BANK	ADDRESS	CITY	STATE	ZIP	COUNTRY	ACCOUNT NAME	ACCOUNT TYPE	ACCOUNT #	12/31/2007 Balances		
Allied Irish Bank (GB)	81/89 St. Allan's Road	Watford	Herts	WD1 1RG	United Kingdom	SCO Software (UK) Ltd.	GBP	00360040	88,228.37		
Barclays Bank PLC	45 Boulevard	Hausmann	Paris Cedex		9 France	The SCO Group Srl	EUR	30588-50001-72803130102	42,725.00		
Deutsche Bank	Postfach 24	53244 Bad Homburg			Germany	The SCO Group GMBH	EUR	3906773	19,803.84		
Royal Bank of Canada						SCO Software (India) Pvt Ltd.	CAD		36,282.51		
Bank of America	DCM Building	New Delhi		110 001	India	Current Account	JPY	36474011, 24325010	15,119,642.07		
Mizuho Bank, Ltd	Keijirohashi Sub-Branch					Current Account	JPY	8012492	78,175.00		
Sumitomo Mitsui Banking Corporation	ShibuyaEkinase Branch					Current Account	JPY	257210	933,815.00		
Sumitomo Mitsui Banking Corporation	ShibuyaEkinase Branch					Ordinary Deposit	JPY	2003094	473,982.35		
Sumitomo Mitsui Banking Corporation	ShibuyaEkinase Branch					Ordinary Deposit	JPY	3221270	224,406.69		
Sumitomo Mitsui Banking Corporation	ShibuyaEkinase Branch					Time Deposit Account	JPY	795698	0.00		
Sumitomo Mitsui Banking Corporation	ShibuyaEkinase Branch								0.00		
Total Foreign Subsidiary Restricted Cash -- Novel SVFR									1,260,181.22		
Net Foreign									-1,223,367.65		
Total Cash									36,793.57		
									6,117,733.77		

Subsidiary accounts are only  
reconciled during close, Japan  
only in quarter close

INR	19.34
GBP	0.4843
CAD	1.00
JPY	110.36
EUR	0.6824



**AMENDED 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.

	12/1/2007 through 12/31/2007	Cumulative Filing to Date
<b>REVENUES</b>		
Gross Revenues	\$1,363,878	\$5,893,224
Less: Returns and Allowances	10,871	\$55,386
Net Revenue	\$1,353,007	\$5,837,838
<b>COST OF GOODS SOLD</b>		
Beginning Inventory	154,469	160,178
Add: Purchases	5,246	20,738
Add: Cost of Labor	-	397,762
Add: Other Costs (attach schedule)	1,784	877,487
Less: Ending Inventory	152,348	152,348
Cost of Goods Sold	9,150	1,303,817
Gross Profit	\$1,343,857	\$4,534,022
<b>OPERATING EXPENSES</b>		
Advertising	33,537	2,712
Auto and Truck Expense	-	-
Bad Debts	-	(1,554)
Contributions	-	-
Employee Benefits Programs	261,683	622,750
Insider Compensation*	-	-
Insurance	49,947	221,528
Management Fees/Bonuses	-	-
Office Expense	50,313	325,735
Pension & Profit-Sharing Plans	-	-
Professional Fees (Non-Bankruptcy) <sup>(1)</sup>	102,338	(386,378)
Repairs and Maintenance	-	148
Rent and Lease Expense	137,608	351,423
Salaries/Commissions/Fees	866,009	2,771,493
Supplies	1,150	10,697
Taxes - Payroll	-	-
Taxes - Real Estate	1,327	6,931
Taxes - Other	-	-
Travel and Entertainment	25,953	220,287
Utilities	2,417	29,877
Other <sup>(2)</sup> (attach schedule)	-	(1,125,959)
Total Operating Expenses Before Depreciation	1,532,280	3,049,687
Depreciation/Depletion/Amortization	16,572	61,425
Net Profit (Loss) Before Other Income & Expenses	\$(204,995)	\$1,422,910
<b>OTHER INCOME AND EXPENSES</b>		
Other Income (attach schedule)	27,549	198,367
Interest Expense	-	-
Other Expense (attach schedule)	(506,107)	4,726
Intercompany Transfers	25,375	1,220,859
Net Profit (Loss) Before Reorganization Items	\$303,287	\$395,693
<b>REORGANIZATION ITEMS</b>		
Professional Fees <sup>(1)</sup>	29,614	478,800
U. S. Trustee Quarterly Fees <sup>(3)</sup>	-	-
Interest Earned on Accumulated Cash from Chapter 11 (see continuation sheet)	5,202	15,491
Gain (Loss) from Sale of Equipment	(20,000)	(20,000)
Other Reorganization Expenses (attach schedule)	-	-
Total Reorganization Expenses	-	-
Income Taxes	-	(24,149)
Net Profit (Loss)	\$258,876	\$(63,467)

(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.

† Amended information has been highlighted in bold

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

AMENDED STATEMENT OF OPERATIONS - continuation sheet †

BREAKDOWN OF "OTHER" CATEGORY	12/1/2007 through 12/31/2007	Cumulative Filing to Date
<b>Other Costs of Goods Sold</b>		
Cost Overhead	-	95,863
Cost Royalty	-	103,694
Cost Technology	-	42,336
Cost Other	1,784	635,986
<b>TOTAL OTHER COST OF GOODS SOLD</b>	<b>1,784</b>	<b>\$877,879</b>
<b>Other Operational Expenses</b>		
Cost of Goods Sold Reclassification <sup>(1)</sup>	\$ -	\$(1,144,640)
<b>Other Income</b>		
Foreign Exchange Gain	8,620	101,077
Interest Income	18,929	97,411
<b>TOTAL OTHER INCOME</b>	<b>\$27,549</b>	<b>\$198,488</b>
<b>Other Expenses</b>		
Miscellaneous Financial Costs	-	-
Foreign Exchange Loss	-	2,913
Bank Charges	5,216	10,534
Equity in Affiliates	-	501,443
Miscellaneous Expense	(511,324)	(510,163)
<b>TOTAL OTHER EXPENSES</b>	<b>\$(506,107)</b>	<b>\$4,727</b>
<b>Other Reorganization Expenses</b>		

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

† Amended information has been highlighted in bold

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.

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

# AMENDED 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, 2007	BOOK VALUE ON PETITION DATE SEPTEMBER 14, 2007
<b>CURRENT ASSETS</b>		
Unrestricted Cash and Equivalents	\$4,149,173	\$4,023,589
Restricted Cash and Cash Equivalents (see continuation sheet)	1,931,767	1,890,856
Accounts Receivable (Net)	<b>3,361,379</b>	3,092,548
Notes Receivable	-	-
Inventories	152,348	160,178
Prepaid Expenses	1,095,168	1,527,293
Professional Retainers	-	-
Other Current Assets (attach schedule)	2,205,235	2,433,409
<b>TOTAL CURRENT ASSETS</b>	<b>\$12,895,071</b>	\$13,127,873
<b>PROPERTY AND EQUIPMENT</b>		
Real Property and Improvements	-	-
Machinery and Equipment	-	-
Furniture, Fixtures and Office Equipment	3,420,623	3,420,803
Leasehold Improvements	507,934	507,934
Vehicles	27,605	27,605
Less Accumulated Depreciation	3,695,141	3,635,938
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>	<b>\$261,021</b>	\$320,404
<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>	\$2,044,803
<b>TOTAL ASSETS</b>	<b>\$15,200,895</b>	\$15,493,080

LIABILITIES AND OWNER EQUITY	BOOK VALUE AT DECEMBER 31, 2007	BOOK VALUE ON PETITION DATE SEPTEMBER 14, 2007
<b>LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)</b>		
Accounts Payable	350,147	8,259
Taxes Payable (refer to FORM MOR-4)	659,350	697,681
Wages Payable	<b>888,021</b>	541,776
Notes Payable	-	-
Rent / Leases - Building/Equipment	-	-
Secured Debt / Adequate Protection Payments	-	-
Professional Fees	87,836	153,165
Amounts Due to Insiders*	-	-
Other Postpetition Liabilities (attach schedule)	<b>3,492,082</b>	4,752,821
<b>TOTAL POSTPETITION LIABILITIES</b>	<b>\$5,477,436</b>	\$6,153,702
<b>LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)</b>		
Secured Debt	-	-
Priority Debt	-	-
Unsecured Debt	<b>2,891,980</b>	1,078,896
<b>TOTAL PRE-PETITION LIABILITIES<sup>(1)</sup></b>	<b>\$2,891,980</b>	\$1,078,896
<b>TOTAL LIABILITIES</b>	<b>\$8,369,417</b>	\$7,232,598
<b>OWNER EQUITY</b>		
Capital Stock	21,783	21,783
Additional Paid-In Capital	261,374,855	260,873,412
Partners' Capital Account	-	-
Owner's Equity Account	-	-
Retained Earnings - Pre-Petition <sup>(2)</sup>	(255,311,580)	(253,444,600)
Retained Earnings - Postpetition <sup>(2)</sup>	(63,466)	-
Adjustments to Owner Equity (attach schedule)	809,887	809,887
Postpetition Contributions (Distributions) (Draws) (attach schedule)	-	-
<b>NET OWNER EQUITY</b>	<b>\$6,831,478</b>	\$8,260,482
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>\$15,200,895</b>	\$15,493,080

(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).

† Amended information has been highlighted in bold



**AMENDED BALANCE SHEET - continuation sheet †**

ASSETS	BOOK VALUE AT DECEMBER 31, 2007	BOOK VALUE ON PETITION DATE SEPTEMBER 14, 2007
<b>Other Current Assets</b>		
Accounts Receivable Credit Card Batch	\$ -	\$18,583
Interest Income Receivable	-	6,182
Employee Travel Advance	1,805	14,250
Other Receivables	-	67,060
Deposits	94,136	97,836
Interdivision Transfers	-	-
Intercompany Receivables - SCO Group	1,745,258	1,745,258
Intercompany Receivables - SCO India	-	127,598
Intercompany Receivables - SCO Japan	364,036	356,642
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>\$2,205,235</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 DECEMBER 31, 2007	BOOK VALUE ON PETITION DATE SEPTEMBER 14, 2007
<b>Other Postpetition Liabilities</b>		
Accrued Co-op Advertising	223,653	234,720
E*Trade Cash Accrual	-	125
Accrued Expense - Research & Development	<b>10,512</b>	130,779
Accrued Expense - Sales & Marketing	34,015	134,489
Accrued Expense - General & Administrative	12,500	10,500
Accrued Expense - General Legal	-	132,500
Accrued Expense - Chapter 11 Fees	28,353	-
Accrued Expense - Escrow Legal	<b>9,293</b>	425,455
Accrued Expense - Other	35,088	45,262
Deferred Income - Services	823,613	1,223,830
Deferred Income -PS CONTRAT AC	3,162	9,273
Deferred Income-SES	166,614	341,882
Deferred Income-SES	236	722
Deferred Revenue	24,966	25,616
Deferred Customer Liability	482,653	482,653
Deferred Revenue @ DISTRIB	142,942	176,994
Royalties Payable	-	41,231
Accrued Royalties Payable	<b>103,416</b>	146,405
Royalties Payable to Novell	<b>17</b>	133,984
Intercompany Payables - UK	<b>(5,100)</b>	-
Intercompany Payables - SCO Germany	<b>148,688</b>	-
Intercompany Payables - SCO France	<b>(19,558)</b>	-
Intercompany Payables - SCO Canada	<b>17,319</b>	-
Intercompany Payables - SCO India	<b>195,627</b>	-
Dilapidation Accrual	182,072	184,401
Pension Accrual	872,000	872,000
<b>TOTAL OTHER POSTPETITION LIABILITIES</b>	<b>\$3,492,082</b>	<b>\$4,752,821</b>
<b>Adjustments to Owner Equity</b>		
Warrants Outstanding	856,549	856,549
Dividends Declared	2,399,095	2,399,095
Treasury Stock	<b>(2,445,757)</b>	<b>(2,445,757)</b>
<b>TOTAL OTHER ADJUSTMENTS TO OWNER EQUITY</b>	<b>\$809,887</b>	<b>\$809,887</b>
<b>Postpetition Contributions (Distributions) (Draws)</b>		

† Amended information has been highlighted in bold

FORM MOR-3 (CONTD)  
(04/07)

### 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

### AMENDED SUMMARY OF UNPAID POSTPETITION DEBTS †

Attach aged listing of accounts payable.

	Current	0-30	31-60	61-90	Over 90	Total
Accounts Payable	\$ 235,871	\$ 60,122	\$ 54,016	\$ -	\$ 138	\$ 350,147
Wages Payable	<b>888,021</b>	-	-	-	-	888,021
Taxes Payable	659,350	-	-	-	-	659,350
Rent/Leases-Building	-	-	-	-	-	-
Rent/Leases-Equipment	-	-	-	-	-	-
Secured Debt/Adequate Protection Payments	-	-	-	-	-	-
Professional Fees	87,836	-	-	-	-	87,836
Amounts Due to Insiders*	-	-	-	-	-	-
Other: Other Postpetition Liabilities	<b>3,492,082</b>	-	-	-	-	3,492,082
Total Postpetition Debts	\$ 5,363,160	\$ 60,122	\$ 54,016	\$ -	\$ 138	\$ 5,477,436

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

† Amended information has been highlighted in bold

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



February 14, 2008

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: 02/14/2008

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

By:   
Ken Nielsen  
Chief Financial Officer

### AMENDED ACCOUNTS RECEIVABLE RECONCILIATION AND AGING †

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	\$3,471,772
+ Amounts billed during the period	1,549,596
- Amounts collected during the period	1,326,474
Total Accounts Receivable at the end of the reporting period	\$3,694,894

Accounts Receivable Aging	
0 - 30 days old	2,647,144
31 - 60 days old	251,925
61 - 90 days old	274,135
91+ days old	499,985
Accounts Receivable	3,673,189
Foreign Exchange Adjustment	21,705
Total Accounts Receivable	<u>3,694,894</u>
Receivables-Royalties	59,979
Allowance for Sales Returns	(304,086)
Allowance for Doubtful Accounts	(89,408)
Accounts Receivable (Net)	<u><u>\$3,361,379</u></u>

### 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	

† Amended information has been highlighted in bold