

October 11th, 2007



Dear SCO Partner,

First, let me thank you for your loyalty and dedication to SCO. It has been almost one month since The SCO Group, Inc. and its wholly-owned subsidiary, SCO Operations, Inc. filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court, District of Delaware, on September 14th 2007. The Board of Directors of The SCO Group unanimously determined at that time that Chapter 11 reorganization was in the best long-term interest of SCO and its subsidiaries, as well as its customers, shareholders, and employees.

In connection with this, The SCO Group filed motions with the Court requesting permission to go forward on a "business as usual" basis. The Court agreed and accordingly, the Company continues to have jurisdiction over its assets and business subject to the supervision and orders of the Court. The Company will continue operating normally and will file a plan of reorganization with the Court.

In the meantime our business has been running smoothly without further disruptions from Chapter 11. Customers continue to place orders and do business with us during this unique time and we very much appreciate their support and business.

In parallel, the Management Team of The SCO Group together with the Board of Directors is intensely working on evaluating the best and most suitable options for the restructuring plan.

The key objective of the restructuring plan is to ensure a continued business operation of The SCO Group and its legal entities under Chapter 11 supervision and afterwards to serve our existing customers and maintain a viable business operation in the future.

The process of determining the plan moving forward is currently being worked at while at the same time we are serving the needs of our partners and customers towards closing our fiscal year 2007 by October 31st 2007. It is important for you to know that we continue to develop, market, support and sell our solutions through this time.

While Chapter 11 is certainly not something any company likes to do, it is designed to help companies be successful. Some companies that have been through this before and emerged successful are Delta Airlines, Texaco, Dow Corning, K-Mart, United Airlines, Toys R Us, Macys Department Stores and others. We intend to do the same.

It is important to note the distinction between Chapter 11 and Chapter 7. Chapter 11 protects us while we reorganize and gives us time to come out of it stronger. Chapter 7 is liquidation of a company. We are not in Chapter 7.

Our employees continue to focus on deliverables that you will soon be seeing including OpenServer Maintenance Pack 3 and other updates for our UNIX products, the real-time web and mobile collaboration solution that we showcased at SCO Forum in August, and a new version of HipCheck with Microsoft MOM integration.

The industry continues to recognize SCO's products for their reliability and functionality. We are pleased that PC Pro Magazine has awarded SCO Mobile HipCheck 1.0.3 a five-star rating for ease of use, features, and value.

Also, we have named Sandy Gupta as the President of SCO Operations. This wholly-owned subsidiary of The SCO Group manages all of the UNIX business as well as the mobile platform. With this focus, the UNIX business can continue purely focused on the core business and new technology development. Me Inc. is also a wholly-owned subsidiary focused on mobile applications that is focused exclusively on real-time mobile solutions. We believe that this first step in reorganization will provide our customers with the continued service, support and products that they need.

I encourage you to contact your SCO sales rep with any questions. Again, thank you for your loyalty and we look forward to our continued working relationship.

Sincerely,

A handwritten signature in cursive script that reads "Darl McBride".

Darl McBride
President & CEO
The SCO Group