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June 30, 2005

BY ELECTRONIC FILING

The Honorable Sue L. Robinson
Chief Judge
United States District Court
844 King Street
Wilmington, DE 19801

Re: Red Hat, Inc. v. The SCO Group, Inc.
Civil Action No. 03-772-SLR

Dear Chief Judge Robinson:

Pursuant to the Court's April 6, 2004 Order requesting a quarterly report on the status of various related litigation matters, Red Hat, Inc. submits this letter as an update to its previous letter, dated April 1, 2005. Although Red Hat is not a party to these other related cases, Red Hat offers the following summary based upon publicly available information.

1. *SCO Group, Inc. v. International Business Machines Corp.*

The court held a hearing on April 21, 2005 to address various outstanding motions, including a motion to intervene filed by third party G2 Computer Intelligence, Inc. ("G2"), IBM's motion for entry of an order limiting the scope of its ninth counterclaim, and discovery motions. By order dated April 28, 2005, the court denied the motion filed by G2 to intervene for

YOUNG CONAWAY STARGATT & TAYLOR, LLP

The Honorable Sue L. Robinson

June 30, 2005

Page 2

the purpose of challenging the confidential designation of documents. The remaining motions are still pending.

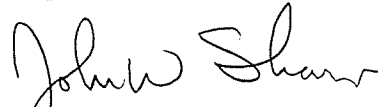
2. *SCO Group, Inc. v. AutoZone, Inc.*

As set forth in Red Hat's April 1, 2005 letter, this case was stayed subject to a limited period of discovery that ended in mid-May on the issue of preliminary injunctive relief. SCO did not file a motion for preliminary injunction, but instead filed a report that attached "relevant sections of pertinent documents" obtained in the limited discovery period. SCO's report asserts that this limited discovery establishes Autozone's liability for copying and using SCO's proprietary code, but concedes that preliminary injunctive relief is not necessary at this time. Autozone filed a response challenging the propriety of SCO's report both procedurally and on the merits.

3. *SCO v. Novell, Inc.*

On May 25, 2005, a hearing was held on Novell's motion to dismiss. Novell's principal arguments are that: (1) it cannot be liable for slander of title because it has a legal privilege to make a good-faith assertion of a rival property claim; and (2) SCO cannot show that Novell acted with malice. The court concluded that the question whether Novell had a legal privilege depends on whether SCO pled malice and that the amended complaint met the pleading standard. The court further held that Novell's motion should be denied because the question whether there has been excessive publication – which would defeat application of the asserted privilege – is a question of fact.

Respectfully submitted,


John W. Shaw #3362

JWS:cg

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