

NOVELL CORPORATE UPDATE

World Leader in Network Computing

Novell, Inc., the networking company, is the world's leading network software provider. Novell's business is connecting people with each other and the information they need, enabling them to act on it anytime, anyplace. The company's products provide the infrastructure, services, access, and applications required to make network computing an integral part of everyone's daily life.

Today, the definition of networks is broadening to include a vast new array of services and information. As the only major company singularly focused on networking, Novell is leading this fundamental shift in the way people work and communicate. Of the some 100 million people who use computers today, over 70 million rely on Novell products and technologies.

World leadership in network computing makes Novell a strategic supplier and partner for businesses everywhere. To meet customer needs, Novell partners with other leaders in computing and telecommunications to deliver complete solutions. Businesses implement these network solutions to run leaner and smarter, to improve customer service, and to launch innovative new forms of electronic commerce. Home consumers also use Novell solutions to increase their productivity, expand their knowledge, and enhance their leisure.

Novell Strategy:

Accelerating the Market's Evolution to Pervasive Computing

Over the next few years, networks and computing will become even more pervasive. Boundaries between networks will fall away, providing users at work and at home with more immediate access to the information they need. More applications will be moved to the network, which will be accessed with an expanding array of devices. The information distributed over networks will continue to extend its reach--to mobile computers, telephones, TV set-top boxes, industrial controls and electronic devices of all kinds.

Together with its partners, Novell will enable customers to meet the challenges and

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exploit the exciting opportunities of this pervasive computing future. Novell's mission is bring the benefits of pervasive computing to as many as 1 billion people by the year 2000.

Novell Software: Enabling Pervasive Computing

Novell enables pervasive networks with a comprehensive family of products, including network operating systems, information access and management software, and network applications. Novell products span global networks, work together, and interoperate with thousands of products and services from Novell partners. As a result, Novell solutions enable customers to:

- **Eliminate boundaries** between today's local, wide-area, consumer, and Internet networks to gain greater access to information
- **Move applications and other resources to the network** from desktop and host systems to distribute and manage them more efficiently, securely, and cost-effectively
- **Consolidate diverse data streams** on the network--including telephony, text, voice, and video--to better integrate computing and communications in new business processes and services
- **Extend networks** to mobile computers and an expanding array of electronic devices to distribute information more efficiently and broaden the scope of commerce

System Software: Expanding the Power and Reach of Networks

Novell's family of network system software gives customers the market's most advanced and comprehensive platform for accessing and sharing applications and other information resources over the network. Novell network operating systems are complete, integrated environments that provide flexible, broadly compatible, and uniquely powerful software foundations for distributed computing. Each product in the family is a best-of-breed solution, delivering a rich set of services to meet specific customer requirements. In addition, Novell system software products work together

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seamlessly, enabling customers to combine their strengths in integrated solutions.

NetWare 4

NetWare 4 is the most recent version of Novell NetWare, the world's leading network operating system. NetWare, the world's *de facto* standard for connecting personal computers to each other and to global information resources, has added advanced new services that make it more capable, cost-effective, and easier to use and administer. NetWare 4 includes not only file and print services, which Novell pioneered with NetWare 2 and 3, but also directory, messaging, security, management and multi-protocol routing services. A scalable, fault-tolerant system, NetWare 4 can easily adapt to accommodate businesses of all sizes. Both large and small organizations can now save significantly on their networking operating costs and deploy the advanced features necessary for taking full advantage of pervasive computing,

NetWare Directory Services (NDS)

NetWare Directory Services (NDS), a key technology in NetWare 4, provides a backbone for pervasive computing. NDS provides a single, secure network-wide "yellow pages" of users, network equipment, systems, data, and network services that allows users easy access to resources by asking for them by name, without having to know their physical network address. NDS provides users and administrators of both large and small networks with a single point of access, integration and control. It turns a multi-server, multi-resource, or even multi-site network into a unified information system.

UnixWare 2

UnixWare 2, designed for seamless integration with NetWare, is the most advanced implementation of the UNIX System and the leading price-performance application server available today. Running on cost-effective Intel-based hardware, it is ideally suited for developing distributed client/server applications and downsizing existing multiuser and client/server applications on to the network from the larger systems where they typically run today.

UnixWare provides a versatile environment for creating and implementing a wide variety of applications, including the leading database management systems such as Oracle, Informix, Ingres, Sybase; decision support systems such as FOCUS and SAS; line-of-business applications such as MRP and financial management; vertical applications such as Oracle Financials, PeopleSoft and Progress; and custom

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applications such as retail point-of-sale and back-of-store management. UnixWare's integration with NetWare enables customers to access these applications from NetWare client workstations, thereby leveraging investments in both legacy applications and the personal productivity applications often supported in workgroups of networked PCs.

Tuxedo

Tuxedo is Novell's secure, high-performance software system for electronic commerce in distributed, client/server environments. Tuxedo can be added to either NetWare, UnixWare or other UNIX Systems to bring the security, data integrity and large-scale performance, manageability, and throughput of minicomputer transaction systems to open, multi-vendor network environments. It provides an ideal platform for developing and running transaction-intensive client/server applications, including decision support, ATM banking, securities trading, reservation systems, and retail point-of-sale.

Leading Network Applications: Redefining Personal and Workgroup Productivity

Novell is integrating the desktop applications users already know with network services to create new classes of applications able to take advantage of the communication and resource-sharing power of networks. Novell applications include integrated business applications, a family of GroupWare products, and an expanding line of consumer education, entertainment and productivity software.

Novell's network applications include:

PerfectOffice 3

PerfectOffice 3 is the most completely integrated suite of personal productivity applications available today and the first to take full advantage of network services. Featuring the latest, network-ready versions of such leading titles as WordPerfect, the Quattro Pro spreadsheet, GroupWise E-mail client, InfoCentral personal information manager, Envoy network publishing tool, and Presentations, it works better and smarter than earlier suite offerings from competing vendors.

GroupWare

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The Novell GroupWare family of network applications neatly complements PerfectOffice and Novell system software by supporting collaborative or "team computing" over the network. Novell GroupWare, the fastest growing family of products in its market category, uses the services of NetWare and other Novell products to make it easier for people to communicate and share information. Applications in this family include GroupWise, InForms, and SoftSolutions, providing users E-mail, calendaring, scheduling, intelligent forms, workflow, and document management.

Information Access: Supporting Comprehensive Network Solutions

Novell delivers a comprehensive range of products for connecting and managing diverse systems across heterogenous networks. These products are leading the industry in bringing computers and equipment of all kinds onto multivendor networks, while making these broader, heterogenous networks easier to implement, manage, and use.

Network Infrastructure

Novell provides the products that customers need to establish a network infrastructure for distributed computing. These solutions include the Novell Multiprotocol Router software for connecting networks; the NetWare Connect mobile communication products; and the NetWare for SAA and NetWare for DEC products for LAN-to-host connectivity.

Information Access

Novell's LAN Workplace is the industry-leading platform for connecting personal computer users to data and communications resources in UNIX and TCP/IP-based networks, including the computers providing the communications infrastructure of the worldwide Internet. Novell is the world TCP/IP leader, shipping more TCP/IP-based software than any other vendor.

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Management

Novell provides customers with a range of leading products to enhance the reliability and manageability of all aspects of the network environment, including servers, clients, networked devices, applications and data. These include the ManageWise strategic management solution for end-to-end management of the Novell environment, the LANalyser monitoring and analysis tool for troubleshooting NetWare networks, and NetWare Navigator for centralized, automated software and data distribution for Novell servers and clients.

Novell Initiatives: Extending the Power of NetWare...Everywhere

Novell is now pursuing a range of initiatives to extend the power and reach of NetWare 4 and NDS to organizations and individuals everywhere. These include:

AT&T NetWare Connect Services (ANCS)

AT&T NetWare Connect Services brings together Novell, AT&T, and other telecommunications providers to establish a global, public data network built around NDS and other NetWare 4 technology. ANCS, a "global data dial tone," will provide users with access to global data communications services and a new generation of network applications--without the costs of maintaining private wide-area networks and without the security, reliability, and availability problems that currently plague commercial users of the worldwide Internet. ANCS is now in its initial pilot stage, paving the way for a commercial information highway that is secure, reliable, and available worldwide. Commercial deployment is expected in 1996.

Novell Embedded Systems Technology (NEST)

Novell Embedded Systems Technology extends NetWare and NDS to office equipment, industrial controls, and a broad range of consumer devices to create a new generation of intelligent products that can be controlled and monitored--either locally or remotely--over computer networks. The first NEST software developer kits are now available to enable such devices as printers, copiers, Fax machines, cellular telephones, pagers, set-top cable boxes, and utility meters to be integrated into pervasive network environments.

SuperNOS

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SuperNOS is Novell's initiative to integrate and evolve NetWare and UnixWare technologies to produce a single advanced operating system. SuperNOS will be a fully distributed, modular, fault-resilient networked operating system based on a microkernel architecture.

This system will allow network and application services and databases and file systems within the operating system to be distributed across a cluster of machines--yet all presented as a single system to administrators, users, and applications. This provides for a new dimension in scalability and manageability of enterprise computing platforms as clusters of machines, including symmetrical multiprocessing (SMP) machines, can function as a single environment.

SuperNOS will be backwards compatible with both NetWare and UnixWare. Customers today can choose either NetWare or UnixWare with full confidence that Novell will provide compatibility for their services and compatibility in the future. Novell will be providing a roadmap that defines a migration plan and defines the application programmer interfaces (APIs) that will carry forward.

Universal Network Interface

Advanced Access Applications is a Novell initiative to provide an advanced network interface, a "universal window" into global information resources. The resulting technologies and products will provide network access for users of major desktop systems, including Windows, Windows 95, Macintosh, and UnixWare. This next-generation network browser technology, code-named "Ferret", and interface technology, code-named "Corsair," will enable resources to be quickly and easily discovered by context on NetWare networks, public data networks and the Internet.

NetWare Telephony Services

The consolidation of data and telephone networks is creating exciting new applications and services that enhance people's ability to communicate and act on the information they receive. Novell is leading these technology and market trends with NetWare Telephony Services, an ongoing effort to bring new integrated solutions to NetWare users. Over 100 ISVs are now using Novell's Telephony Services API (TSAPI) and Telephony Server software to deliver voice, data, and context applications that provide users easy access to and control of their telephone functionality directly from their personal computer screen. In addition, the top 20 PBX and central office switch manufacturers are now integrating equipment with computer networks through their

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support for the TSAPI.

Novell Tools and APIs: Open Platforms for Software Development

Novell provides tools, software development kits (SDKs), and application programmer interfaces (APIs) to assist developers in designing applications to take advantage of Novell environments. Novell tools and APIs support compatibility and interoperability across a broad spectrum of Novell and third-party products. To provide an open, evolving development environment for customer choice, flexibility, and investment protection, Novell

- Openly publishes APIs to guide developers
- Adheres to industry technology standards
- Actively participates in industry-wide technology and standards groups
- Works closely with developer partners in a broad range of special programs

NetWare Loadable Modules

Novell supports leading ISVs and corporate developers in creating server-based programs called NetWare Loadable Modules (NLMs) that can be loaded as extensions to the NetWare 4 and NetWare 3 environments. Today's NLMs include leading database packages from Gupta, Informix, Oracle, and Sybase, as well as a broad selection of programs for electronic mail, storage management, integrated telephone/data, virus protection, and many other areas complementary to NetWare services. Using NLMs, developers can target the millions of NetWare users with solutions that leverage the highly efficient access, response, throughput, and connectivity of the NetWare environment. In addition, developers can now use NLMs to incorporate NetWare 4's breakthrough NetWare Directory Services (NDS) into the functionality of their application solutions.

AppWare

AppWare is a high-level (5GL), component-based tool for developing Macintosh and Microsoft Windows applications that reside on the client and can access services

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provided by both the desktop operating system and by server-based NLMs. AppWare enables developers--including those with little or no programming experience-- to quickly and easily create applications by linking icons that represent pre-built components called AppWare Loadable Modules (ALMs). Currently available ALMs support GUI building, database access, host emulation, document imaging, communications, multimedia, PDA connections, NetWare management, and many other functions. AppWare's visual components and ease of use make it an ideal tool for streamlining development cycles, getting applications to users faster, and keeping pace with today's changing business environment.

AppWare and OpenDoc

OpenDoc is an industry-standard architecture for component software backed by numerous industry-leading software and systems vendors. It enables developers to use interchangeable components to construct document applications that support information access, communication, and collaboration across organizations and between individuals. These document applications can be shared across hardware and operating platforms--including Macintosh, OS/2, Windows, and UNIX. They can also interoperate with proprietary APIs for desktop application integration such as Microsoft's OLE 2.0, which supports object sharing between applications on individual desktop computers.

Novell, while continuing to provide support for OLE 2.0, has now outlined a comprehensive plan to provide OpenDoc software development through the AppWare visual programming environment. Support for OpenDoc will enable AppWare developers to leverage an open, industry-standard architecture that is not controlled by any single software vendor. Through technology also provided by Novell, these solutions will offer complete interoperability with applications using OLE 2.0. As a result, AppWare users will gain the greatest possible flexibility and freedom of choice for deploying integrated, network applications.

Novell's Business: Partnering to Meet Customer Needs

Novell partners with other leading companies to meet customer needs through OEM

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licensing of Novell products and technology, cross-product integration, and other steps to simplify multivendor network solutions. Representative partners include:

- **Public data network initiative:** AT&T Business Communication Services; additional partnerships are anticipated in 1995 with Regional Bell Operating Companies and other telecommunications carriers internationally.
- **Network system solutions:** Apple Computer, Compaq Computer, Fujitsu/ICL, Hewlett Packard, IBM, Olivetti, Unisys
- **Network system services:** Computer Associates, GeoWorks, Hewlett Packard, IBM, Informix, Memorex/Telex, Oracle, Sybase, Xerox.
- **Internetworking and management support:** 3Com, Bay Networks, Cisco Systems, Intel.
- **Novell Embedded Systems:** Andover Controls, Canon, Fujitsu, General Instruments, Intel, Lexmark International, Xerox.
- **Enterprise Consulting and Systems Integration:** Andersen Consulting, Computer Task group, BDM, EDS, GE Computer Services
- **Service and support:** Digital Equipment, Hewlett Packard, IBM, Memorex/Telex.

Support Infrastructure

Novell backs its products with the industry's most comprehensive worldwide service, support, education and distribution infrastructure. This network of partners ensures that Novell customers worldwide have local access to Novell products, training, and certified support specialists. This infrastructure includes:

- **Technical Support Alliance:** over 40 industry-leading hardware and software vendors who provide multivendor network support
- **Education Partners:** over 2,600 Certified Novell Instructors, 1,200 Novell Authorized Education Centers; over 600,000 students in 1994
- **Service Providers:** Over 50,000 Certified Novell Engineers, over 55,000

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currently gaining certification; 1,100 Novell Authorized Service Centers in North America

- **Value-Added Resellers:** 1,000 Novell Platinum Authorized Resellers worldwide; 3,000 Novell Gold Authorized Resellers worldwide; 20,000 Novell Authorized resellers worldwide
- **Yes Solution Partners:** 3,700 Hardware Yes Solutions Partners and over 2,000 Software Yes Solutions Partners who work with Novell to develop and certify products compatible with the Novell environment.

Novell Financial Information

A \$2 billion enterprise, Novell is the third largest software company in the world with approximately 7,900 employees at facilities in the United States and over 30 other countries. Novell maintains its corporate headquarters in Orem, Utah and major software development sites in California, New Jersey, and Utah.

Incorporated in 1983, Novell is one of the largest and most successful companies listed on the NASDAQ stock market. The Company made its initial public offering (IPO) in 1985 and trades in the NASDAQ over-the-counter market under the symbol NOVL. Morgan Stanley, the investment banking firm, reports that Novell investors have gained a greater return since the IPO than investors in any other computer company started since 1980--and more than twice that of the second place company, Microsoft.

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Novell has no outstanding long-term debt. At the end of the company's first fiscal quarter in January, 1995, its cash and short-term investments totaled \$1 billion, with total assets of \$2 billion.

*U.S. Dollars in
Millions Except Per Share Data*

	FY 1994	FY 1993	FY 1992	FY 1991
Net sales	\$1,998,077	\$1,830,411	\$1,512,488	\$1,262,073
Net income	328,267	328,948	321,634	300,546
Sales in the U.S.	57%	57%	54%	58%
Sales Outside the U.S.	43%	43%	46%	42%

Novell Information On-line

Market Messenger is Novell's world-wide electronic information distribution system. Market Messenger consists of compact disc, Internet, and electronic mail services.

- **Market Messenger CD**, included in this packet, is a Windows-compliant application which runs from either a local CD-Rom drive or off a network server. Using Novell's Envoy portable document software, the Market Messenger CD provides electronic access to Novell's entire library of marketing information, including data sheets, white papers, presentations, and success stories.
- **Market Messenger World-Wide** (URL: <http://www.novell.com>) is Novell's home page service on the Internet's World-Wide Web. Running on a UnixWare 2 application server, it includes the latest corporate strategy briefs, press announcements, employment opportunities, and hot links to many of Novell's strategic partners.

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- **Market Messenger World-Wide Express** is a Novell GroupWise-based service, available to Novell authorized resellers and other Novell partners. This service provides on-demand access to hundreds of Novell documents.

To receive future editions of the Novell Market Messenger CD, contact Kao Information Systems at (800) 375-7135.