



IOMEGA CORPORATION
CONDENSED STATEMENTS OF OPERATIONS - QTD
(In thousands, except per share data)
(Unaudited)

	For the Three Months Ended					
	Oct. 2, 2005	% of Sales	Sept. 26, 2004	% of Sales	July 3, 2005	% of Sales
Sales	\$55,889	100.0%	\$77,262	100.0%	\$65,736	100.0%
Cost of Sales (1)	44,890	80.3%	65,413	84.7%	52,209	79.4%
Gross margin	10,999	19.7%	11,849	15.3%	13,527	20.6%
Operating Expenses:						
Selling, general and administrative	14,548	26.0%	21,751	28.2%	16,129	24.5%
Research and development	3,330	6.0%	6,899	8.9%	4,116	6.3%
License and patent fees	(889)	(1.6%)	0	0.0%	(405)	(0.6%)
Restructuring charges (reversals)	6,579	11.8%	2,293	3.0%	(41)	(0.1%)
Total operating expenses	23,568	42.2%	30,943	40.0%	19,799	30.1%
Operating Loss	(12,569)	(22.5%)	(19,094)	(24.7%)	(6,272)	(9.5%)
Interest and other income and expense, net (2)	598	1.1%	2,423	3.1%	(307)	(0.5%)
Loss Before Income Taxes	(11,971)	(21.4%)	(16,671)	(21.6%)	(6,579)	(10.0%)
(Provision) Benefit for Income Taxes	(354)	(0.6%)	815	1.1%	179	0.3%
Net Loss	(\$12,325)	(22.1%)	(\$15,856)	(20.5%)	(\$6,400)	(9.7%)
Loss Per Share	(\$0.24)		(\$0.31)		(\$0.12)	
Weighted Average Common Shares Outstanding	51,627		51,565		51,612	

(1) Q3 2004 cost of sales includes \$4.6 million for impairment and other charges related to the discontinuance of the DCT program.

(2) Q3 2004 includes \$1.8 million associated with the release of various accruals for a European subsidiary for which operations ceased in 1999.

PRODUCT SALES AND PROFIT MARGINS - QTD
(In thousands)
(Unaudited)

	For the Three Months Ended					
	Oct. 2, 2005	% of Sales	Sept. 26, 2004	% of Sales	July 3, 2005	% of Sales
Sales:						
<u>Consumer Products:</u>						
Zip	\$14,868	26.6%	\$31,880	41.3%	\$16,778	25.5%
Consumer Storage Solutions (1)	27,143	48.6%	30,892	40.0%	33,147	50.4%
<u>Business Products:</u>						
REV	10,255	18.3%	10,338	13.4%	11,141	16.9%
Network Storage Systems	3,279	5.9%	3,282	4.2%	4,154	6.3%
Other Products (2)	344	0.6%	870	1.1%	516	0.8%
Total Sales	\$55,889		\$77,262		\$65,736	
Product Profit Margin (Loss):						
<u>Consumer Products:</u>						
Zip	\$5,961		\$12,551		\$7,717	
Consumer Storage Solutions (1)	(1,461)		(2,872)		(2,160)	
<u>Business Products:</u>						
REV	(1,344)		(5,612)		(1,584)	
Network Storage Systems	(322)		(27)		33	
Other Products (2) (3) (4)	1,096		(6,583)		562	
Total Product Profit Margin (Loss)	3,930		(2,543)		4,568	
Common:						
General corporate expenses	(9,920)		(14,258)		(10,881)	
Restructuring (charges) reversals	(6,579)		(2,293)		41	
Interest and other income and expense, net	598		2,423		(307)	
Loss Before Income Taxes	(\$11,971)		(\$16,671)		(\$6,579)	

(1) Consumer Storage Solutions is comprised of optical, hard disk, flash and floppy drives.

(2) Other Products is comprised of Jaz, Peerless, PocketZip and other miscellaneous products, and the DCT Development Program in the case of PPM/product loss.

(3) Q3 2004 includes \$4.6 million for impairment and other charges related to the discontinuance of the DCT program.

(4) Q3 2005 includes license income of \$0.9 million.



IOMEGA CORPORATION
CONDENSED STATEMENTS OF OPERATIONS - YTD
(In thousands, except per share data)
(Unaudited)

	For the Nine Months Ended			
	Oct. 2, 2005	% of Sales	Sept. 26, 2004	% of Sales
Sales	\$194,555	100.0%	\$239,030	100.0%
Cost of Sales (1)	153,484	78.9%	188,050	78.7%
Gross margin	41,071	21.1%	50,980	21.3%
Operating Expenses:				
Selling, general and administrative	48,892	25.1%	69,127	28.9%
Research and development	11,550	5.9%	20,068	8.4%
License and patent fees	(1,301)	(0.8%)	0	0.0%
Restructuring charges	6,773	3.5%	2,991	1.3%
Total operating expenses	65,914	33.9%	92,186	38.6%
Operating Loss	(24,843)	(12.8%)	(41,206)	(17.2%)
Interest and other income and expense, net	(163)	(0.1%)	2,646	1.1%
Loss Before Income Taxes	(25,006)	(12.9%)	(38,560)	(16.1%)
(Provision) Benefit for Income Taxes	356	0.2%	(1,954)	(0.8%)
Net Loss	(\$24,650)	(12.7%)	(\$40,514)	(16.9%)
Loss Per Share	\$ (0.48)		(\$0.79)	
Weighted Average Common Shares Outstanding	51,617		51,540	

(1) 2004 cost of sales includes \$4.6 million for impairment and other charges related to the discontinuance of the DCT program.

PRODUCT SALES AND PROFIT MARGINS - YTD
(In thousands)
(Unaudited)

	For the Nine Months Ended			
	Oct. 2, 2005	% of Sales	Sept. 26, 2004	% of Sales
Sales:				
<u>Consumer Products:</u>				
Zip	\$51,791	26.6%	\$108,419	45.4%
Consumer Storage Solutions (1)	96,739	49.7%	98,749	41.3%
<u>Business Products:</u>				
REV	33,489	17.2%	17,829	7.5%
Network Storage Systems	11,218	5.8%	10,647	4.5%
Other Products (2)	1,318	0.7%	3,386	1.4%
Total Sales	\$194,555		\$239,030	
Product Profit Margin (Loss):				
<u>Consumer Products:</u>				
Zip	\$23,740		\$41,393	
Consumer Storage Solutions (1)	(4,502)		(3,596)	
<u>Business Products:</u>				
REV	(4,746)		(17,898)	
Network Storage Systems	(588)		(521)	
Other Products (2) (3) (4)	1,751		(10,870)	
Total Product Profit Margin	15,655		8,508	
Common:				
General corporate expenses	(33,725)		(46,723)	
Restructuring charges	(6,773)		(2,991)	
Interest and other income and expense, net	(163)		2,646	
Loss Before Income Taxes	(\$25,006)		(\$38,560)	

(1) Consumer Storage Solutions is comprised of optical, hard disk, flash and floppy drives.

(2) Other Products is comprised of Jaz, Peerless, PocketZip and other miscellaneous products, and the DCT Development Program in the case of PPM/product loss.

(3) 2004 cost of sales includes \$4.6 million for impairment and other charges related to the discontinuance of the DCT program.

(4) 2005 includes license and patent income of \$1.3 million.



IOMEGA CORPORATION
CONDENSED BALANCE SHEETS
(In thousands)
(Unaudited)

	<u>Oct. 2,</u> <u>2005</u>	<u>July 3,</u> <u>2005</u>	<u>Dec. 31,</u> <u>2004</u>
ASSETS:			
Cash and cash equivalents	\$72,572	\$86,467	\$103,403
Restricted cash	261	259	0
Temporary investments	25,534	23,128	17,406
Total cash	<u>98,367</u>	<u>109,854</u>	<u>120,809</u>
Trade receivables	26,740	18,163	30,764
Inventories	24,142	21,599	31,345
Deferred taxes	5,533	7,056	9,710
Other current assets	5,208	4,923	7,045
Total Current Assets	<u>159,990</u>	<u>161,595</u>	<u>199,673</u>
Property and equipment, net	9,140	10,851	13,563
Intangible and other assets	13,022	13,475	14,266
	<u>\$182,152</u>	<u>\$185,921</u>	<u>\$227,502</u>
LIABILITIES AND STOCKHOLDERS' EQUITY:			
Accounts payable	\$31,830	\$23,734	\$35,166
Income taxes payable	1,516	291	664
Other current liabilities	52,757	51,135	65,607
Total Current Liabilities	<u>86,103</u>	<u>75,160</u>	<u>101,437</u>
Deferred taxes	17,219	19,694	22,537
Long-term liabilities	0	99	721
Stockholders' equity	78,830	90,968	102,807
	<u>\$182,152</u>	<u>\$185,921</u>	<u>\$227,502</u>

CONDENSED STATEMENTS OF CASH FLOWS - YTD
(In thousands)
(Unaudited)

	<u>For the Nine Months Ended</u>	
	<u>Oct. 2,</u> <u>2005</u>	<u>Sept. 26,</u> <u>2004</u>
Cash Flows from Operating Activities:		
Net Loss	(\$24,650)	(\$40,514)
Revenue and Expense Adjustments	6,197	18,669
	<u>(18,453)</u>	<u>(21,845)</u>
Changes in Assets and Liabilities:		
Trade receivables	3,960	3,169
Restricted cash	(261)	(50)
Inventories	6,673	13
Other current assets	1,768	84
Accounts payable	(3,376)	(2,687)
Accrued restructuring	742	(1,283)
Other current liabilities and income taxes	(12,747)	(17,166)
Net cash used in operating activities	<u>(21,694)</u>	<u>(39,765)</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	(970)	(9,348)
Proceeds from sales of assets	745	101
Initial investment in ByteTaxi (net of \$171,000 cash)	(44)	0
Sales of temporary investments	27,464	238,150
Purchases of temporary investments	(35,571)	(210,429)
Net change in other assets and other liabilities	(678)	(826)
Net cash (used in) provided by investing activities	<u>(9,054)</u>	<u>17,648</u>
Cash Flows from Financing Activities:		
Payment of debt	(139)	0
Proceeds from sales of Common Stock	56	159
Net cash provided by (used in) financing activities	<u>(83)</u>	<u>159</u>
Net Decrease in Cash and Cash Equivalents	<u>(30,831)</u>	<u>(21,958)</u>
Cash and Cash Equivalents at Beginning of Period	<u>103,403</u>	<u>122,591</u>
Cash and Cash Equivalents at End of Period	<u>\$72,572</u>	<u>\$100,633</u>