



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

	For the Three Months Ended					
	Dec. 31, 2005	% of Sales	Dec. 31, 2004	% of Sales	Oct. 2, 2005	% of Sales
Sales	\$70,029	100.0%	\$89,633	100.0%	\$55,852	100.0%
Cost of Sales	55,186	78.8%	67,901	75.8%	44,890	80.4%
Gross margin	14,843	21.2%	21,732	24.2%	10,962	19.6%
Operating Expenses:						
Selling, general and administrative	11,687	16.7%	20,677	23.1%	14,529	26.0%
Research and development (1)	2,901	4.1%	4,376	4.9%	3,195	5.7%
License and patent fees	0	0.0%	(10,599)	(11.8%)	(889)	(1.6%)
Restructuring charges	806	1.2%	1,540	1.7%	6,579	11.8%
Total operating expenses	15,394	22.0%	15,994	17.8%	23,414	41.9%
Operating (Loss) Income	(551)	(0.8%)	5,738	6.4%	(12,452)	(22.3%)
Interest and other income and expense, net	561	0.8%	1,108	1.2%	599	1.1%
Income (Loss) From Continuing Operations Before Income Taxes	10	0.0%	6,846	7.6%	(11,853)	(21.2%)
Benefit (Provision) for Income Taxes	729	1.0%	(3,009)	(3.4%)	(399)	(0.7%)
Income (Loss) From Continuing Operations	739	1.1%	3,837	4.3%	(12,252)	(21.9%)
Gain/(Loss) From Discontinued ByteTaxi, Inc. Operations (net of taxes)	1,158		0		(73)	
Net Income (Loss)	\$1,897		\$3,837		(\$12,325)	
Basic Earnings (Loss) Per Share	\$0.04		\$0.07		(\$0.24)	
Diluted Earnings (Loss) Per Share	\$0.04		\$0.07		(\$0.24)	
Weighted Average Common Shares Outstanding	51,642		51,589		51,627	
Weighted Average Common Shares Assuming Dilution	51,642		51,597		51,627	

(1) Q4 2004 research and development expenses includes \$0.5 million in gains related to the sale of DCT engineering assets.

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

	For the Three Months Ended					
	Dec. 31, 2005	% of Sales	Dec. 31, 2004	% of Sales	Oct. 2, 2005	% of Sales
Sales:						
<u>Consumer Products:</u>						
Zip	\$12,310	17.6%	\$25,312	28.2%	\$14,868	26.6%
Consumer Storage Solutions (1)	41,685	59.5%	46,931	52.4%	27,106	48.5%
<u>Business Products:</u>						
REV	12,443	17.8%	12,949	14.4%	10,255	18.4%
Network Storage Systems	3,314	4.7%	3,899	4.3%	3,279	5.9%
Other Products (2)	277	0.4%	542	0.6%	344	0.6%
Total Sales	\$70,029		\$89,633		\$55,852	
Product Profit Margin (Loss):						
<u>Consumer Products:</u>						
Zip	\$6,013		\$11,808		\$5,961	
Consumer Storage Solutions (1)	1,673		117		(1,344)	
<u>Business Products:</u>						
REV	(191)		(1,768)		(1,344)	
Network Storage Systems	541		(279)		(322)	
Other Products (2) (3) (4)	190		10,524		1,096	
Total Product Profit Margin	8,226		20,402		4,047	
Common:						
General corporate expenses	(7,971)		(13,124)		(9,920)	
Restructuring charges	(806)		(1,540)		(6,579)	
Interest and other income and expense, net	561		1,108		599	
Income (Loss) From Continuing Operations Before Income Taxes	\$10		\$6,846		(\$11,853)	

(1) Consumer Storage Solutions is comprised of hard disk, optical, 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) Q4 2004 Other Products PPM includes a net benefit of \$11.2 million from DCT-related license fees and gains on the sale of DCT assets.

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



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

	For the Twelve Months Ended			
	Dec. 31, 2005	% of Sales	Dec. 31, 2004	% of Sales
Sales	\$264,505	100.0%	\$328,663	100.0%
Cost of Sales (1)	208,670	78.9%	255,951	77.9%
Gross margin	<u>55,835</u>	<u>21.1%</u>	<u>72,712</u>	<u>22.1%</u>
Operating Expenses:				
Selling, general and administrative	60,535	22.9%	89,804	27.3%
Research and development (2)	14,054	5.3%	24,444	7.4%
License and patent fees	(1,301)	(0.6%)	(10,599)	(3.2%)
Restructuring charges	7,579	2.9%	4,531	1.4%
Total operating expenses	<u>80,867</u>	<u>30.6%</u>	<u>108,180</u>	<u>32.9%</u>
Operating Loss	<u>(25,032)</u>	<u>(9.5%)</u>	<u>(35,468)</u>	<u>(10.8%)</u>
Interest and other income and expense, net (3)	404	0.2%	3,754	1.1%
Loss From Continuing Operations Before Income Taxes	<u>(24,628)</u>	<u>(9.3%)</u>	<u>(31,714)</u>	<u>(9.6%)</u>
Benefit (Provision) for Income Taxes	945	0.4%	(4,963)	(1.5%)
Loss From Continuing Operations	<u>(23,683)</u>	<u>(9.0%)</u>	<u>(36,677)</u>	<u>(11.2%)</u>
Net Gain From Discontinued ByteTaxi, Inc. Operations (net of taxes)	930		0	
Net Loss	<u><u>(\$22,753)</u></u>		<u><u>(\$36,677)</u></u>	
Loss Per Share	<u><u>(\$0.44)</u></u>		<u><u>(\$0.71)</u></u>	
Weighted Average Common Shares Outstanding	<u><u>51,623</u></u>		<u><u>51,553</u></u>	

(1) 2004 cost of sales includes \$4.4 million for impairment and other charges related to the discontinuance of the DCT program.

(2) 2004 research and development expenses includes \$0.5 million in gains related to the sale of DCT engineering assets.

(3) 2004 other income 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 - YTD
(In thousands)
(Unaudited)

	For the Twelve Months Ended			
	Dec. 31, 2005	% of Sales	Dec. 31, 2004	% of Sales
Sales:				
Consumer Products:				
Zip	\$64,101	24.2%	\$133,731	40.7%
Consumer Storage Solutions (1)	138,345	52.3%	145,680	44.3%
Business Products:				
REV	45,932	17.4%	30,778	9.4%
Network Storage Systems	14,532	5.5%	14,546	4.4%
Other Products (2)	1,595	0.6%	3,928	1.2%
Total Sales	<u>\$264,505</u>		<u>\$328,663</u>	
Product Profit Margin (Loss):				
Consumer Products:				
Zip	\$29,753		\$53,201	
Consumer Storage Solutions (1)	(2,467)		(3,479)	
Business Products:				
REV	(4,937)		(19,666)	
Network Storage Systems	(47)		(800)	
Other Products (2) (3) (4)	1,941		(346)	
Total Product Profit Margin	<u>24,243</u>		<u>28,910</u>	
Common:				
General corporate expenses	(41,696)		(59,847)	
Restructuring charges	(7,579)		(4,531)	
Interest and other income and expense, net	404		3,754	
Loss From Continuing Operations Before Income Taxes	<u><u>(\$24,628)</u></u>		<u><u>(\$31,714)</u></u>	

(1) Consumer Storage Solutions is comprised of hard disk, optical, 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 includes a net benefit of \$6.6 million from DCT-related license fees and 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)

	Dec. 31, 2005	Oct. 2, 2005	Dec. 31, 2004
ASSETS:			
Cash and cash equivalents	\$70,943	\$72,572	\$103,403
Restricted cash	256	261	0
Temporary investments	24,800	25,534	17,406
Total cash	95,999	98,367	120,809
Trade receivables	28,853	26,740	30,764
Inventories	27,532	24,142	31,345
Deferred taxes	5,480	5,533	9,710
Other current assets	5,228	5,208	7,045
Total Current Assets	163,092	159,990	199,673
Property and equipment, net	8,311	9,140	13,563
Intangible and other assets	12,453	13,022	14,266
	<u>\$183,856</u>	<u>\$182,152</u>	<u>\$227,502</u>
LIABILITIES AND STOCKHOLDERS' EQUITY:			
Accounts payable	\$35,500	\$31,830	\$35,166
Income taxes payable	310	1,516	664
Other current liabilities	49,751	52,757	65,607
Total Current Liabilities	85,561	86,103	101,437
Deferred taxes	17,109	17,219	22,537
Long-term liabilities	0	0	721
Stockholders' equity	81,186	78,830	102,807
	<u>\$183,856</u>	<u>\$182,152</u>	<u>\$227,502</u>

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

	For the Twelve Months Ended	
	Dec. 31, 2005	Dec. 31, 2004
Cash Flows from Operating Activities:		
Net Loss	(\$22,753)	(\$36,677)
Revenue and Expense Adjustments	6,756	20,353
	(15,997)	(16,324)
Changes in Assets and Liabilities:		
Trade receivables	2,223	6,784
Restricted cash	(256)	200
Inventories	2,864	(7,600)
Other current assets	1,748	508
Accounts payable	296	(2,834)
Accrued restructuring	(284)	(3,724)
Other current liabilities and income taxes	(16,543)	(14,875)
Net cash used in operating activities	<u>(25,949)</u>	<u>(37,865)</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	(1,421)	(10,695)
Proceeds from sales of assets (1)	745	1,298
Proceeds from sale of ByteTaxi (net of \$155,000 cash)	2,291	0
Initial investment in ByteTaxi (net of \$171,000 cash)	(44)	0
Sales of temporary investments	33,914	250,238
Purchases of temporary investments	(41,266)	(221,544)
Net change in other assets and other liabilities	(660)	(806)
Net cash (used in) provided by investing activities	<u>(6,441)</u>	<u>18,491</u>
Cash Flows from Financing Activities:		
Payment of debt	(139)	0
Proceeds from sales of Common Stock	69	186
Net cash provided by (used in) financing activities	<u>(70)</u>	<u>186</u>
Net Decrease in Cash and Cash Equivalents	(32,460)	(19,188)
Cash and Cash Equivalents at Beginning of Period	103,403	122,591
Cash and Cash Equivalents at End of Period	<u>\$70,943</u>	<u>\$103,403</u>

(1) 2004 proceeds from sales of assets were primarily associated with the sale of DCT assets.