



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

	For the Three Months Ended					
	Apr. 2, 2006	% of Sales	Apr. 3, 2005	% of Sales	Dec. 31, 2005	% of Sales
Sales	\$59,081	100.0%	\$72,912	100.0%	\$70,029	100.0%
Cost of Sales	47,280	80.0%	56,385	77.3%	55,186	78.8%
Gross margin	11,801	20.0%	16,527	22.7%	14,843	21.2%
<b>Operating Expenses:</b>						
Selling, general and administrative (1)	12,460	21.1%	18,208	25.0%	11,687	16.7%
Research and development	2,567	4.3%	3,999	5.5%	2,901	4.1%
License and patent fees	0	0.0%	(7)	(0.0%)	0	0.0%
Goodwill impairment charge	3,081	5.2%	0	0.0%	0	0.0%
Restructuring charges	278	0.5%	235	0.3%	806	1.2%
Total operating expenses	18,386	31.1%	22,435	30.8%	15,394	22.0%
Operating Loss	(6,585)	(11.1%)	(5,908)	(8.1%)	(551)	(0.8%)
Interest and other income and expense, net	1,014	1.7%	(451)	(0.6%)	561	0.8%
Income (Loss) From Continuing Operations Before Income Taxes	(5,571)	(9.4%)	(6,359)	(8.7%)	10	0.0%
Benefit for Income Taxes	1,402	2.4%	494	0.7%	729	1.0%
Income (Loss) From Continuing Operations	(4,169)	(7.1%)	(5,865)	(8.0%)	739	1.1%
Gain (Loss) From Discontinued ByteTaxi, Inc. Operations (net of taxes)	0		(60)		1,158	
Net Income (Loss)	(\$4,169)		(\$5,925)		\$1,897	
Basic Earnings (Loss) Per Share	(\$0.08)		(\$0.11)		\$0.04	
Diluted Earnings (Loss) Per Share	(\$0.08)		(\$0.11)		\$0.04	
Weighted Average Common Shares Outstanding	51,649		51,611		51,642	
Weighted Average Common Shares Assuming Dilution	51,649		51,611		51,642	

(1) Q1 2006 includes \$1.0 million of non-restructuring, severance related costs associated with prior CEO.

**PRODUCT SALES AND OPERATING INCOME (LOSS) - QTD**

(In thousands)  
(Unaudited)

	For the Three Months Ended					
	Apr. 2, 2006	% of Sales	Apr. 3, 2005	% of Sales	Dec. 31, 2005	% of Sales
<b>Sales:</b>						
<b>Consumer Products:</b>						
Zip	\$11,643	19.7%	\$20,145	27.6%	\$12,310	17.6%
Consumer Storage Solutions (1)	33,189	56.2%	36,431	50.0%	41,685	59.5%
<b>Business Products:</b>						
REV	10,779	18.2%	12,093	16.6%	12,443	17.8%
Network Storage Systems	3,199	5.4%	3,785	5.2%	3,314	4.7%
Other Products (2)	271	0.5%	458	0.6%	277	0.4%
Total Sales	\$59,081		\$72,912		\$70,029	
<b>Product Operating Income (Loss):</b>						
<b>Consumer Products:</b>						
Zip (3)	\$1,059		\$6,491		\$4,612	
Consumer Storage Solutions (1)	(4,754)		(7,245)		(3,072)	
<b>Business Products:</b>						
REV	(1,616)		(3,962)		(1,607)	
Network Storage Systems	(58)		(970)		164	
Other Products (2)	57		13		158	
Non-Restructuring charges (4)	(995)		0		0	
Restructuring charges	(278)		(235)		(806)	
Operating Loss	(\$6,585)		(\$5,908)		(\$551)	

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

(2) Other Products is comprised of Jaz and other miscellaneous products.

(3) Q1 2006 includes a \$3.1 million goodwill impairment charge.

(4) Non-restructuring, severance related costs associated with prior CEO and recorded in SG&A in above income statement.



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

	Apr. 2, 2006	Dec. 31, 2005
<b>ASSETS:</b>		
Cash and cash equivalents	\$60,829	\$70,943
Restricted cash	82	256
Temporary investments	27,278	24,800
Total cash	88,189	95,999
Trade receivables	22,939	28,853
Inventories	26,571	27,532
Deferred taxes	5,523	5,523
Other current assets	6,135	4,998
Total Current Assets	149,357	162,905
Property and equipment, net	7,341	8,311
Intangible and other assets	8,887	12,453
	\$165,585	\$183,669
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>		
Accounts payable	\$26,829	\$35,500
Income taxes payable	0	310
Other current liabilities	45,983	49,751
Total Current Liabilities	72,812	85,561
Deferred taxes	15,945	17,152
Stockholders' equity	76,828	80,956
	\$165,585	\$183,669

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

	For the Three Months Ended	
	Apr. 2, 2006	Apr. 3, 2005
<b>Cash Flows from Operating Activities:</b>		
Net Loss	(\$4,169)	(\$5,925)
Revenue and Expense Adjustments (1)	3,239	2,468
	(930)	(3,457)
Changes in Assets and Liabilities:		
Trade receivables	6,036	1,656
Restricted cash	174	(278)
Inventories	961	(3,304)
Other current assets	(894)	982
Accounts payable	(8,671)	(1,622)
Accrued restructuring	(1,177)	(1,340)
Other current liabilities and income taxes	(3,144)	(8,407)
Net cash used in operating activities	(7,645)	(15,770)
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment	(165)	(462)
Proceeds from sales of assets	21	85
Initial investment in ByteTaxi (net of \$171,000 cash)	0	(44)
Sales of temporary investments	4,500	6,233
Purchases of temporary investments	(6,846)	(14,871)
Net change in other assets and other liabilities	0	(708)
Net cash used in investing activities	(2,490)	(9,767)
<b>Cash Flows from Financing Activities:</b>		
Proceeds from sales of Common Stock	21	5
Net cash provided by financing activities	21	5
<b>Net Decrease in Cash and Cash Equivalents</b>	(10,114)	(25,532)
<b>Cash and Cash Equivalents at Beginning of Period</b>	70,943	103,403
<b>Cash and Cash Equivalents at End of Period</b>	\$60,829	\$77,871

(1) Q1 2006 includes a \$3.1 million non-cash, goodwill impairment charge.