



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

	For the Three Months Ended					
	July 2, 2006	% of Sales	July 3, 2005	% of Sales	Apr. 2, 2006	% of Sales
Sales	\$40,652	100.0%	\$65,712	100.0%	\$59,081	100.0%
Cost of Sales	33,859	83.3%	52,209	79.5%	47,280	80.0%
Gross margin	6,793	16.7%	13,503	20.5%	11,801	20.0%
<b>Operating Expenses:</b>						
Selling, general and administrative (1)	10,357	25.5%	16,111	24.5%	12,460	21.1%
Research and development	2,475	6.1%	3,959	6.0%	2,567	4.3%
License and patent fee income	(1,085)	(2.7%)	(405)	(0.6%)	0	0.0%
Goodwill impairment charge	2,341	5.8%	0	0.0%	3,081	5.2%
Restructuring charges (reversals)	4,291	10.6%	(41)	(0.1%)	278	0.5%
Total operating expenses	18,379	45.2%	19,624	29.9%	18,386	31.1%
Operating Loss	(11,586)	(28.5%)	(6,121)	(9.3%)	(6,585)	(11.1%)
Interest and other income and expense, net	390	1.0%	(305)	(0.5%)	1,014	1.7%
Loss From Continuing Operations Before Income Taxes	(11,196)	(27.5%)	(6,426)	(9.8%)	(5,571)	(9.4%)
Benefit for Income Taxes	797	2.0%	121	0.2%	1,402	2.4%
Loss From Continuing Operations	(10,399)	(25.6%)	(6,305)	(9.6%)	(4,169)	(7.1%)
Loss From Discontinued ByteTaxi, Inc. Operations (net of taxes)	0		(95)		0	
Net Loss	(\$10,399)		(\$6,400)		(\$4,169)	
Loss Per Share	(\$0.20)		(\$0.12)		(\$0.08)	
Weighted Average Common Shares Outstanding	51,658		51,612		51,649	

(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					
	July 2, 2006	% of Sales	July 3, 2005	% of Sales	Apr. 2, 2006	% of Sales
<b>Sales:</b>						
<b>Consumer Products:</b>						
Zip	\$7,793	19.2%	\$16,778	25.5%	\$11,643	19.7%
Consumer Storage Solutions (1)	20,150	49.6%	32,288	49.1%	31,532	53.4%
<b>Business Products:</b>						
REV	8,889	21.9%	11,141	17.0%	10,779	18.2%
Network Storage Systems (6)	3,395	8.4%	4,989	7.6%	4,856	8.2%
Other Products (2)	425	1.0%	516	0.8%	271	0.5%
Total Sales	\$40,652		\$65,712		\$59,081	
<b>Product Operating Income (Loss):</b>						
<b>Consumer Products:</b>						
Zip (3)	\$48		\$4,939		\$1,059	
Consumer Storage Solutions (1)	(4,723)		(7,611)		(5,199)	
<b>Business Products:</b>						
REV (7) (8)	(3,759)		(3,429)		(1,616)	
Network Storage Systems (6)	33		(538)		387	
Other Products (2) (5)	1,106		477		57	
Non-Restructuring charges (4)	0		0		(995)	
Restructuring (charges) reversals	(4,291)		41		(278)	
Operating Loss	(\$11,586)		(\$6,121)		(\$6,585)	

(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 and Q2 2006 includes a \$2.3 million goodwill impairment charge.

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

(5) Q2 2006 includes \$0.8 million of income associated with the sale of old patents.

(6) Includes Network HDD products beginning in Q2 2006 - previously classified in Consumer Storage Solutions. Prior period data has been reclassified for consistency.

(7) Q2 2006 includes approx. \$1.4 million of inventory related charges and NRE commitments.

(8) Q2 2005 includes approx. \$0.6 million of inventory related charges.



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

(Unaudited)

	For the Six Months Ended			
	July 2, 2006	% of Sales	July 3, 2005	% of Sales
Sales	\$99,733	100.0%	\$138,624	100.0%
Cost of Sales	81,139	81.4%	108,594	78.3%
Gross margin	18,594	18.6%	30,030	21.7%
<b>Operating Expenses:</b>				
Selling, general and administrative (1)	22,817	22.9%	34,319	24.8%
Research and development	5,042	5.1%	7,958	5.7%
License and patent fee income	(1,085)	(1.1%)	(412)	(0.3%)
Goodwill impairment charge	5,422	5.4%	0	0.0%
Restructuring charges	4,569	4.6%	194	0.1%
Total operating expenses	36,765	36.9%	42,059	30.3%
Operating Loss	(18,171)	(18.2%)	(12,029)	(8.7%)
Interest and other income and expense, net	1,404	1.4%	(756)	(0.5%)
Loss From Continuing Operations Before Income Taxes	(16,767)	(16.8%)	(12,785)	(9.2%)
Benefit for Income Taxes	2,199	2.2%	615	0.4%
Loss From Continuing Operations	(14,568)	(14.6%)	(12,170)	(8.8%)
Loss From Discontinued ByteTaxi, Inc. Operations (net of taxes)	0		(155)	
Net Loss	(14,568)		(12,325)	
Loss Per Share	(\$0.28)		(\$0.24)	
Weighted Average Common Shares Outstanding	51,653		51,611	

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

**PRODUCT SALES AND OPERATING INCOME (LOSS) - YTD**  
(In thousands)  
(Unaudited)

	For the Six Months Ended			
	July 2, 2006	% of Sales	July 3, 2005	% of Sales
<b>Sales:</b>				
<u>Consumer Products:</u>				
Zip	\$19,436	19.5%	\$36,923	26.6%
Consumer Storage Solutions (1)	51,682	51.8%	67,164	48.5%
<u>Business Products:</u>				
REV	19,668	19.7%	23,234	16.8%
Network Storage Systems (6)	8,251	8.3%	10,329	7.5%
Other Products (2)	696	0.7%	974	0.7%
Total Sales	\$99,733		\$138,624	
<b>Product Operating Income (Loss):</b>				
<u>Consumer Products:</u>				
Zip (3)	\$1,107		\$11,430	
Consumer Storage Solutions (1)	(9,922)		(15,276)	
<u>Business Products:</u>				
REV	420		(1,088)	
Network Storage Systems (6)	(5,375)		(7,391)	
Other Products (2) (5)	1,163		490	
Non-Restructuring charges (4)	(995)		0	
Restructuring charges	(4,569)		(194)	
Operating Loss	(18,171)		(12,029)	

(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) 2006 includes \$5.4 million of goodwill impairment charges.

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

(5) 2006 includes \$0.8 million of income associated with the sale of old patents.

(6) Includes Network HDD products beginning in Q2 2006 - previously classified in Consumer Storage Solutions. Prior period data has been reclassified for consistency.



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

	July 2, 2006	Apr. 2, 2006	Dec. 31, 2005
<b>ASSETS:</b>			
Cash and cash equivalents	\$58,642	\$60,829	\$70,943
Restricted cash	87	82	256
Temporary investments	18,908	27,278	24,800
Total cash	77,637	88,189	95,999
Trade receivables	14,731	22,939	28,853
Inventories	29,428	26,571	27,532
Deferred taxes	5,523	5,523	5,523
Other current assets	5,008	6,135	4,998
Total Current Assets	132,327	149,357	162,905
Property and equipment, net	6,776	7,341	8,311
Intangible and other assets	6,329	8,887	12,453
	<u>\$145,432</u>	<u>\$165,585</u>	<u>\$183,669</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>			
Accounts payable	\$17,274	\$26,829	\$35,500
Income taxes payable	0	0	310
Other current liabilities	46,535	45,983	49,751
Total Current Liabilities	63,809	72,812	85,561
Deferred taxes	15,030	15,945	17,152
Stockholders' equity	66,593	76,828	80,956
	<u>\$145,432</u>	<u>\$165,585</u>	<u>\$183,669</u>

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

	For the Six Months Ended	
	July 2, 2006	July 3, 2005
<b>Cash Flows from Operating Activities:</b>		
Net Loss	(\$14,568)	(\$12,325)
Revenue and Expense Adjustments (1)	5,169	4,830
	<u>(9,399)</u>	<u>(7,495)</u>
Changes in Assets and Liabilities:		
Trade receivables	14,397	12,893
Restricted cash	169	(259)
Inventories	(1,566)	8,766
Other current assets	279	2,122
Accounts payable	(18,226)	(11,472)
Accrued restructuring	(3,510)	(2,194)
Other current liabilities and income taxes	(305)	(12,658)
Net cash used in operating activities	<u>(18,161)</u>	<u>(10,297)</u>
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment	(403)	(829)
Proceeds from sales of assets	82	641
Initial investment in ByteTaxi (net of \$171,000 cash)	0	(44)
Sales of temporary investments	17,420	27,464
Purchases of temporary investments	(11,280)	(33,174)
Net change in other assets and other liabilities	7	(663)
Net cash provided by (used in) investing activities	<u>5,826</u>	<u>(6,605)</u>
<b>Cash Flows from Financing Activities:</b>		
Payment of debt	0	(40)
Proceeds from sales of Common Stock	34	6
Net cash provided by (used in) financing activities	<u>34</u>	<u>(34)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	<u>(12,301)</u>	<u>(16,936)</u>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<u>70,943</u>	<u>103,403</u>
<b>Cash and Cash Equivalents at End of Period</b>	<u>\$58,642</u>	<u>\$86,467</u>

(1) 2006 includes \$5.4 million of non-cash, goodwill impairment charges.