



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

	For the Three Months Ended					
	Oct. 1, 2006	% of Sales	Oct. 2, 2005	% of Sales	July 2, 2006	% of Sales
Sales	\$53,595	100.0%	\$55,852	100.0%	\$40,652	100.0%
Cost of Sales	41,379	77.2%	44,890	80.4%	33,859	83.3%
Gross margin	12,216	22.8%	10,962	19.6%	6,793	16.7%
Operating Expenses:						
Selling, general and administrative	8,657	16.2%	14,529	26.0%	10,357	25.5%
Research and development	1,904	3.6%	3,195	5.7%	2,475	6.1%
License and patent fee income	0	0.0%	(889)	(1.6%)	(1,085)	(2.7%)
Goodwill impairment charge	2,513	4.7%	0	0.0%	2,341	5.8%
Restructuring charges (reversals)	(211)	(0.4%)	6,579	11.8%	4,291	10.6%
Total operating expenses	12,863	24.0%	23,414	41.9%	18,379	45.2%
Operating Loss	(647)	(1.2%)	(12,452)	(22.3%)	(11,586)	(28.5%)
Interest and other income and expense, net ⁽¹⁾	1,709	3.2%	599	1.1%	390	1.0%
Loss From Continuing Operations Before Income Taxes	1,062	2.0%	(11,853)	(21.2%)	(11,196)	(27.5%)
Benefit (Provision) for Income Taxes	(209)	(0.4%)	(399)	(0.7%)	797	2.0%
Net Income (Loss) From Continuing Operations	853	1.6%	(12,252)	(21.9%)	(10,399)	(25.6%)
Loss From Discontinued ByteTaxi, Inc. Operations (net of taxes)	0		(73)		0	
Net Income (Loss)	\$853		(\$12,325)		(\$10,399)	
Net Income (Loss) Per Share	\$0.02		(\$0.24)		(\$0.20)	
Diluted Income (Loss) Per Share	\$0.02		(\$0.24)		(\$0.20)	
Weighted Average Common Shares Outstanding	53,382		51,627		51,658	
Weighted Average Common Shares Outstanding - Assuming Dilution	53,389		51,627		51,658	

(1) Q3 2006 includes approximately \$1.1 million gain associated with the release of various liabilities for a European subsidiary for which operations ceased in 1999. The Company dissolved this entity in the third quarter of 2006.

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

	For the Three Months Ended					
	Oct. 1, 2006	% of Sales	Oct. 2, 2005	% of Sales	July 2, 2006	% of Sales
Sales:						
Consumer Products:						
Zip	\$6,245	11.7%	\$14,868	26.6%	\$7,793	19.2%
Consumer Storage Solutions ⁽¹⁾	30,317	56.6%	26,049	46.6%	20,150	49.6%
Business Products:						
REV	11,201	20.9%	10,255	18.4%	8,889	21.9%
Network Storage Systems ⁽²⁾	4,473	8.3%	4,336	7.8%	3,395	8.4%
Services ⁽³⁾	1,254	2.3%	124	0.2%	146	0.4%
Other Products ⁽⁴⁾	105	0.2%	220	0.4%	279	0.7%
Total Sales	\$53,595		\$55,852		\$40,652	
Product Operating Income (Loss):						
Consumer Products:						
Zip ⁽⁵⁾	\$767		\$3,320		\$48	
Consumer Storage Solutions ⁽¹⁾	(1,744)		(6,173)		(4,723)	
Business Products:						
REV ⁽⁸⁾	(367)		(3,165)		(3,759)	
Network Storage Systems ⁽²⁾	464		(889)		33	
Services ⁽³⁾	(53)		33		125	
Other Products ^{(4) (6) (7)}	75		1,001		981	
Restructuring (charges) reversals	211		(6,579)		(4,291)	
Operating Loss	(\$647)		(\$12,452)		(\$11,586)	

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

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

(3) Includes the System Integration and Managed Services businesses of CSCI, Inc. since August 2006 when acquired. Also includes miscellaneous Iomega services previously classified in Other Products. Prior period amounts have been reclassified for consistency.

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

(5) Q2 2006 includes a \$2.3 million goodwill impairment charge and Q3 2006 includes a \$2.5 million goodwill impairment charge.

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

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

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



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

(Unaudited)

	For the Nine Months Ended			
	Oct. 1, 2006	% of Sales	Oct. 2, 2005	% of Sales
Sales	\$153,328	100.0%	\$194,476	100.0%
Cost of Sales	122,518	79.9%	153,484	78.9%
Gross margin	30,810	20.1%	40,992	21.1%
Operating Expenses:				
Selling, general and administrative ⁽¹⁾	31,474	20.5%	48,848	25.1%
Research and development	6,946	4.5%	11,153	5.7%
License and patent fee income	(1,085)	(0.7%)	(1,301)	(0.7%)
Goodwill impairment charges	7,935	5.2%	0	0.0%
Restructuring charges	4,358	2.8%	6,773	3.5%
Total operating expenses	49,628	32.4%	65,473	33.7%
Operating Loss	(18,818)	(12.3%)	(24,481)	(12.6%)
Interest and other income and expense, net ⁽²⁾	3,113	2.0%	(157)	(0.1%)
Loss From Continuing Operations Before Income Taxes	(15,705)	(10.2%)	(24,638)	(12.7%)
Benefit for Income Taxes	1,990	1.3%	216	0.1%
Loss From Continuing Operations	(13,715)	(8.9%)	(24,422)	(12.6%)
Loss From Discontinued ByteTaxi, Inc. Operations (net of taxes)	0		(228)	
Net Loss	(\$13,715)		(\$24,650)	
Loss Per Share	(\$0.26)		(\$0.48)	
Weighted Average Common Shares Outstanding	52,230		51,617	

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

(2) 2006 includes approximately \$1.1 million gain associated with the release of various liabilities for a European subsidiary for which operations ceased in 1999. The Company dissolved this entity in the third quarter of 2006.

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

(Unaudited)

	For the Nine Months Ended			
	Oct. 1, 2006	% of Sales	Oct. 2, 2005	% of Sales
Sales:				
<u>Consumer Products:</u>				
Zip	\$25,681	16.7%	\$51,791	26.6%
Consumer Storage Solutions ⁽¹⁾	81,999	53.5%	93,213	47.9%
<u>Business Products:</u>				
REV	30,869	20.1%	33,489	17.2%
Network Storage Systems ⁽²⁾	12,724	8.3%	14,665	7.5%
Services ⁽³⁾	1,515	1.0%	456	0.2%
Other Products ⁽⁴⁾	540	0.4%	862	0.4%
Total Sales	\$153,328		\$194,476	
Product Operating Income (Loss):				
<u>Consumer Products:</u>				
Zip ⁽⁵⁾	\$1,874		\$14,750	
Consumer Storage Solutions ⁽¹⁾	(11,666)		(21,449)	
<u>Business Products:</u>				
REV	(5,742)		(10,556)	
Network Storage Systems ⁽²⁾	884		(1,977)	
Services ⁽³⁾	174		96	
Other Products ^{(4) (7) (8)}	1,011		1,428	
Non-Restructuring charges ⁽⁶⁾	(995)		0	
Restructuring charges	(4,358)		(6,773)	
Operating Loss	(\$18,818)		(\$24,481)	

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

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

(3) Includes the System Integration and Managed Services businesses of CSCI, Inc. since August 2006 when acquired. Also includes miscellaneous Iomega services previously classified in Other Products. Prior period amounts have been reclassified for consistency.

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

(5) 2006 includes \$7.9 million of goodwill impairment charges.

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

(7) 2006 includes \$0.8 million of income associated with the sale of old patents.

(8) 2005 includes license and patent income of \$1.3 million.



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

	Oct. 1, 2006	July 2, 2006	Dec. 31, 2005
ASSETS:			
Cash and cash equivalents	\$55,315	\$58,642	\$70,943
Restricted cash	87	87	256
Temporary investments	14,414	18,908	24,800
Total cash	69,816	77,637	95,999
Trade receivables	29,881	14,731	28,853
Inventories	34,803	29,428	27,532
Deferred taxes	5,523	5,523	5,523
Other current assets	3,881	5,008	4,998
Total Current Assets	143,904	132,327	162,905
Property and equipment, net	7,159	6,776	8,311
Intangible and other assets	14,397	6,329	12,453
	\$165,460	\$145,432	\$183,669
LIABILITIES AND STOCKHOLDERS' EQUITY:			
Accounts payable	\$31,579	\$17,274	\$35,500
Income taxes payable	832	0	310
Other current liabilities	44,715	46,535	49,751
Total Current Liabilities	77,126	63,809	85,561
Deferred taxes	13,174	15,030	17,152
Stockholders' equity	75,160	66,593	80,956
	\$165,460	\$145,432	\$183,669

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

	For the Nine Months Ended	
	Oct. 1, 2006	Oct. 2, 2005
Cash Flows from Operating Activities:		
Net Loss	(\$13,715)	(\$24,650)
Revenue and Expense Adjustments ⁽¹⁾	6,843	6,197
	(6,872)	(18,453)
Changes in Assets and Liabilities:		
Trade receivables	359	3,960
Restricted cash	169	(261)
Inventories	(6,405)	6,673
Other current assets	1,124	1,768
Accounts payable	(4,119)	(3,376)
Accrued restructuring	(874)	742
Other current liabilities and income taxes	(4,445)	(12,747)
Net cash used in operating activities	(21,063)	(21,694)
Cash Flows from Investing Activities:		
Purchases of property and equipment	(1,558)	(970)
Proceeds from sales of assets	173	745
Initial investment in ByteTaxi (net of \$171,000 cash)	0	(44)
Purchase of CSCI, Inc. (net of \$183,000 cash)	(4,339)	0
Sales of temporary investments	24,161	27,464
Purchases of temporary investments	(13,425)	(35,571)
Net change in other assets and other liabilities	7	(678)
Net cash provided by (used in) investing activities	5,019	(9,054)
Cash Flows from Financing Activities:		
Payment of debt	0	(139)
Proceeds from sales of Common Stock	416	56
Net cash provided by (used in) financing activities	416	(83)
Net Decrease in Cash and Cash Equivalents	(15,628)	(30,831)
Cash and Cash Equivalents at Beginning of Period	70,943	103,403
Cash and Cash Equivalents at End of Period	\$55,315	\$72,572

(1) 2006 includes \$7.9 million of non-cash, goodwill impairment charges.