



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

	For the Three Months Ended					
	Dec. 31, 2006	% of Sales	Dec. 31, 2005	% of Sales	Oct. 1, 2006	% of Sales
Sales	\$76,226	100.0%	\$70,029	100.0%	\$53,595	100.0%
Cost of Sales	60,824	79.8%	55,186	78.8%	41,379	77.2%
Gross margin	15,402	20.2%	14,843	21.2%	12,216	22.8%
Operating Expenses:						
Selling, general and administrative	9,917	13.0%	11,687	16.7%	8,657	16.2%
Research and development	1,959	2.6%	2,901	4.1%	1,904	3.6%
Goodwill impairment charge	793	1.0%	0	0.0%	2,513	4.7%
Restructuring charges (reversals)	(829)	(1.1%)	806	1.2%	(211)	(0.4%)
Total operating expenses	11,840	15.5%	15,394	22.0%	12,863	24.0%
Operating Income (Loss)	3,562	4.7%	(551)	(0.8%)	(647)	(1.2%)
Interest and other income and expense, net ⁽¹⁾	752	1.0%	561	0.8%	1,709	3.2%
Income From Continuing Operations Before Income Taxes	4,314	5.7%	10	0.0%	1,062	2.0%
Benefit (Provision) for Income Taxes	286	0.4%	729	1.0%	(209)	(0.4%)
Net Income From Continuing Operations	4,600	6.0%	739	1.1%	853	1.6%
Income From Discontinued ByteTaxi, Inc. Operations (net of taxes) ⁽²⁾	272	0.4%	1,158	1.7%	0	0.0%
Net Income	\$4,872	6.4%	\$1,897	2.7%	\$853	1.6%
Net Income Per Share	\$0.09		\$0.04		\$0.02	
Diluted Income Per Share	\$0.09		\$0.04		\$0.02	
Weighted Average Common Shares Outstanding	54,730		51,642		53,382	
Weighted Average Common Shares Outstanding - Assuming Dilution	55,191		51,642		53,389	

(1) Q3 2006 includes approximately a \$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.

(2) Q4 2005 relates to the sale of Iomega's investment in ByteTaxi, Inc. Q4 2006 relates to the final payment from an escrow account associated with the ByteTaxi, Inc. sale.

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

	For the Three Months Ended					
	Dec. 31, 2006	% of Sales	Dec. 31, 2005	% of Sales	Oct. 1, 2006	% of Sales
Sales:						
Consumer Products:						
Consumer Storage Solutions ⁽¹⁾	\$52,150	68.4%	\$40,269	57.5%	\$30,317	56.6%
Zip	5,472	7.2%	12,310	17.6%	6,245	11.7%
Business Products:						
REV	11,929	15.6%	12,443	17.8%	11,201	20.9%
Network Storage Systems ⁽²⁾	5,093	6.7%	4,730	6.8%	4,473	8.3%
Services ⁽³⁾	1,536	2.0%	149	0.2%	1,254	2.3%
Other Products	46	0.1%	128	0.2%	105	0.2%
Total Sales	\$76,226		\$70,029		\$53,595	
Product Operating Income (Loss):						
Consumer Products:						
Consumer Storage Solutions ⁽¹⁾	\$2,331		(\$3,394)		(\$1,744)	
Zip ⁽⁴⁾	1,510		4,612		767	
Business Products:						
REV	(1,198)		(1,607)		(367)	
Network Storage Systems ⁽²⁾	690		486		464	
Services ⁽³⁾	(464)		131		(53)	
Other Products	(136)		27		75	
Restructuring (charges) reversals	829		(806)		211	
Operating Income (Loss)	\$3,562		(\$551)		(\$647)	

(1) Consumer Storage Solutions is comprised of hard disk, optical, floppy and flash 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) Q3 2006 and Q4 2006 includes a \$2.5 million and a \$0.8 million goodwill impairment charge, respectively.



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

(Unaudited)

	For the Twelve Months Ended			
	Dec. 31, 2006	% of Sales	Dec. 31, 2005	% of Sales
Sales	\$229,554	100.0%	\$264,505	100.0%
Cost of Sales	183,342	79.9%	208,670	78.9%
Gross margin	46,212	20.1%	55,835	21.1%
Operating Expenses:				
Selling, general and administrative ⁽¹⁾	41,391	18.0%	60,535	22.9%
Research and development	8,905	3.9%	14,054	5.3%
License and patent fee income	(1,085)	(0.5%)	(1,301)	(0.5%)
Goodwill impairment charges	8,728	3.8%	0	0.0%
Restructuring charges	3,529	1.5%	7,579	2.9%
Total operating expenses	61,468	26.8%	80,867	30.6%
Operating Loss	(15,256)	(6.6%)	(25,032)	(9.5%)
Interest and other income and expense, net ⁽²⁾	3,865	1.7%	404	0.2%
Loss From Continuing Operations Before Income Taxes	(11,391)	(5.0%)	(24,628)	(9.3%)
Benefit for Income Taxes	2,276	1.0%	945	0.4%
Loss From Continuing Operations	(9,115)	(4.0%)	(23,683)	(9.0%)
Income From Discontinued ByteTaxi, Inc. Operations (net of taxes) ⁽³⁾	272	0.1%	930	0.4%
Net Loss	(\$8,843)	(3.9%)	(\$22,753)	(8.6%)
Loss Per Share	(\$0.17)		(\$0.44)	
Weighted Average Common Shares Outstanding	52,855		51,623	

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

(2) 2006 includes approximately a \$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.

(3) Relates to the sale of Iomega's investment in ByteTaxi, Inc. 2005 also includes operating losses incurred by ByteTaxi, Inc. prior to the sale.

PRODUCT SALES AND OPERATING INCOME (LOSS) - YTD

(In thousands)

(Unaudited)

	For the Twelve Months Ended			
	Dec. 31, 2006	% of Sales	Dec. 31, 2005	% of Sales
Sales:				
<u>Consumer Products:</u>				
Consumer Storage Solutions ⁽¹⁾	\$134,149	58.4%	\$133,482	50.5%
Zip	31,153	13.6%	64,101	24.2%
<u>Business Products:</u>				
REV	42,798	18.6%	45,932	17.4%
Network Storage Systems ⁽²⁾	17,817	7.8%	19,395	7.3%
Services ⁽³⁾	3,051	1.3%	605	0.2%
Other Products	586	0.3%	990	0.4%
Total Sales	\$229,554		\$264,505	
Product Operating Income (Loss):				
<u>Consumer Products:</u>				
Consumer Storage Solutions ⁽¹⁾	(\$9,335)		(\$24,843)	
Zip ⁽⁴⁾	3,384		19,362	
<u>Business Products:</u>				
REV	(6,940)		(12,163)	
Network Storage Systems ⁽²⁾	1,574		(1,491)	
Services ⁽³⁾	(290)		227	
Other Products ^{(6) (7)}	875		1,455	
Non-Restructuring charges ⁽⁵⁾	(995)		0	
Restructuring charges	(3,529)		(7,579)	
Operating Loss	(\$15,256)		(\$25,032)	

(1) Consumer Storage Solutions is comprised of hard disk, optical, floppy and flash 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) 2006 includes \$8.7 million of goodwill impairment charges.

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

(6) 2006 includes \$0.8 million of income associated with the sale of old patents.

(7) 2005 includes license and patent income of \$1.3 million.



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

	Dec. 31, 2006	Oct. 1, 2006	Dec. 31, 2005
ASSETS:			
Cash and cash equivalents	\$56,617	\$55,315	\$70,943
Restricted cash	88	87	256
Temporary investments	11,443	14,414	24,800
Total cash	68,148	69,816	95,999
Trade receivables	30,418	29,881	28,853
Inventories	42,593	34,803	27,532
Deferred taxes	2,714	5,523	5,523
Other current assets	3,401	3,881	4,998
Total Current Assets	147,274	143,904	162,905
Property and equipment, net	6,553	7,159	8,311
Intangible and other assets	13,554	14,397	12,453
	<u>\$167,381</u>	<u>\$165,460</u>	<u>\$183,669</u>
LIABILITIES AND STOCKHOLDERS' EQUITY:			
Accounts payable	\$35,105	\$31,579	\$35,500
Income taxes payable	454	832	310
Other current liabilities ^(a)	32,475	44,715	49,751
Total Current Liabilities	68,034	77,126	85,561
Deferred taxes	9,540	13,174	17,152
Stockholders' equity ^(a)	89,807	75,160	80,956
	<u>\$167,381</u>	<u>\$165,460</u>	<u>\$183,669</u>

(a) Other current liabilities has been reduced and retained earnings has been increased by \$9.5 million due to a reduction of old tax reserves under SAB 108.

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

	For the Twelve Months Ended	
	Dec. 31, 2006	Dec. 31, 2005
Cash Flows from Operating Activities:		
Net Loss	(\$8,843)	(\$22,753)
Revenue and Expense Adjustments ⁽¹⁾	7,607	6,527
	(1,236)	(16,226)
Changes in Assets and Liabilities:		
Trade receivables	(279)	2,223
Restricted cash	168	(256)
Inventories	(14,195)	2,864
Other current assets	1,604	1,978
Accounts payable	(593)	296
Accrued restructuring	(2,533)	(284)
Other current liabilities and income taxes	(5,868)	(16,543)
Net cash used in operating activities	<u>(22,932)</u>	<u>(25,948)</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	(1,906)	(1,421)
Proceeds from sales of assets	191	745
Proceeds from sale of ByteTaxi (net of \$155,000 cash)	0	2,290
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	30,856	33,914
Purchases of temporary investments	(17,080)	(41,266)
Proceeds from ByteTaxi escrow fund	446	0
Net change in other assets and other liabilities	7	(660)
Net cash provided by (used in) investing activities	<u>8,175</u>	<u>(6,442)</u>
Cash Flows from Financing Activities:		
Payment of debt	0	(139)
Proceeds from sales of Common Stock	431	69
Net cash provided by (used in) financing activities	<u>431</u>	<u>(70)</u>
Net Decrease in Cash and Cash Equivalents	<u>(14,326)</u>	<u>(32,460)</u>
Cash and Cash Equivalents at Beginning of Period	<u>70,943</u>	<u>103,403</u>
Cash and Cash Equivalents at End of Period	<u>\$56,617</u>	<u>\$70,943</u>

(1) 2006 includes \$8.7 million of non-cash, goodwill impairment charges.