



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

	For the Three Months Ended					
	Apr. 1, 2007	% of Sales	Apr. 2, 2006	% of Sales	Dec. 31, 2006	% of Sales
Sales	<b>\$75,984</b>	100.0%	\$59,081	100.0%	\$76,226	100.0%
Cost of Sales	<b>61,681</b>	81.2%	47,280	80.0%	60,824	79.8%
Gross margin	<b>14,303</b>	18.8%	11,801	20.0%	15,402	20.2%
<b>Operating Expenses:</b>						
Selling, general and administrative <sup>(1)</sup>	<b>10,120</b>	13.3%	12,460	21.1%	9,917	13.0%
Research and development	<b>1,739</b>	2.3%	2,567	4.3%	1,959	2.6%
License and patent fee income	<b>(350)</b>	(0.5%)	0	0.0%	0	0.0%
Goodwill impairment charge	<b>1,710</b>	2.3%	3,081	5.2%	793	1.0%
Restructuring charges (reversals)	<b>(38)</b>	(0.1%)	278	0.5%	(829)	(1.1%)
Total operating expenses	<b>13,181</b>	17.3%	18,386	31.1%	11,840	15.5%
Operating Income (Loss)	<b>1,122</b>	1.5%	(6,585)	(11.1%)	3,562	4.7%
Interest and other income and expense, net	<b>255</b>	0.3%	1,014	1.7%	752	1.0%
Income (Loss) From Continuing Operations Before Income Taxes	<b>1,377</b>	1.8%	(5,571)	(9.4%)	4,314	5.7%
Benefit (Provision) for Income Taxes	<b>(228)</b>	(0.3%)	1,402	2.4%	286	0.4%
Net Income (Loss) From Continuing Operations	<b>1,149</b>	1.5%	(4,169)	(7.1%)	4,600	6.0%
Income From Discontinued ByteTaxi, Inc. Operations (net of taxes) <sup>(2)</sup>	<b>0</b>	0.0%	0	0.0%	272	0.4%
Net Income (Loss)	<b>\$1,149</b>	1.5%	\$(4,169)	(7.1%)	\$4,872	6.4%
Net Income (Loss) Per Share	<b>\$0.02</b>		\$(0.08)		\$0.09	
Diluted Income (Loss) Per Share	<b>\$0.02</b>		\$(0.08)		\$0.09	
Weighted Average Common Shares Outstanding	<b>54,733</b>		51,649		54,730	
Weighted Average Common Shares Outstanding - Assuming Dilution	<b>54,979</b>		51,649		55,191	

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

(2) 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					
	Apr. 1, 2007	% of Sales	Apr. 2, 2006	% of Sales	Dec. 31, 2006	% of Sales
<b>Sales:</b>						
<b>Consumer Products:</b>						
Consumer Storage Solutions <sup>(1)</sup>	<b>\$52,489</b>	69.1%	\$31,532	53.4%	\$52,150	68.4%
Zip	<b>5,518</b>	7.3%	11,643	19.7%	5,472	7.2%
<b>Business Products:</b>						
REV	<b>11,204</b>	14.7%	10,779	18.2%	11,929	15.6%
Network Storage Systems <sup>(2)</sup>	<b>4,738</b>	6.2%	4,856	8.2%	5,093	6.7%
Services <sup>(3)</sup>	<b>1,892</b>	2.5%	115	0.2%	1,536	2.0%
Other Products	<b>143</b>	0.2%	156	0.3%	46	0.1%
Total Sales	<b>\$75,984</b>		\$59,081		\$76,226	
<b>Product Operating Income (Loss):</b>						
<b>Consumer Products:</b>						
Consumer Storage Solutions <sup>(1)</sup>	<b>\$354</b>		\$(5,199)		\$2,331	
Zip <sup>(4)</sup>	<b>355</b>		1,059		1,510	
<b>Business Products:</b>						
REV	<b>304</b>		(1,616)		(1,198)	
Network Storage Systems <sup>(2)</sup>	<b>409</b>		387		690	
Services <sup>(3)</sup>	<b>(520)</b>		102		(464)	
Other Products	<b>182</b>		(45)		(136)	
Non-restructuring charge <sup>(5)</sup>	<b>0</b>		(995)		0	
Restructuring (charges) reversals	<b>38</b>		(278)		829	
Operating Income (Loss)	<b>\$1,122</b>		\$(6,585)		\$3,562	

(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) Q1 2007, Q1 2006 and Q4 2006 includes a \$1.7 million, a \$3.1 million and a \$0.8 million goodwill impairment charge, respectively.

(5) 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. 1, 2007	Dec. 31, 2006
<b>ASSETS:</b>		
Cash and cash equivalents	\$66,856	\$56,617
Restricted cash	88	88
Temporary investments	9,904	11,443
Total cash	76,848	68,148
Trade receivables, net	23,357	30,418
Inventories	41,482	42,593
Deferred income taxes	2,747	2,747
Other current assets	2,957	3,401
Total Current Assets	147,391	147,307
Property and equipment, net	5,761	6,553
Intangible and other assets	11,749	13,554
	\$164,901	\$167,414
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>		
Accounts payable	\$35,330	\$35,105
Income taxes payable	3,858	454
Other current liabilities	28,383	32,475
Total Current Liabilities	67,571	68,034
Deferred income taxes	6,075	9,573
Stockholders' equity	91,255	89,807
	\$164,901	\$167,414

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

	For the Three Months Ended	
	Apr. 1, 2007	Apr. 2, 2006
<b>Cash Flows from Operating Activities:</b>		
Net Income (Loss)	\$1,149	\$(4,169)
Revenue and Expense Adjustments <sup>(1)</sup>	(745)	2,909
	404	(1,260)
Changes in Assets and Liabilities:		
Trade receivables	7,325	6,036
Restricted cash	0	174
Inventories	901	1,291
Other current assets	444	(894)
Accounts payable	225	(8,671)
Accrued restructuring	(1,501)	(1,177)
Other current liabilities and income taxes	813	(3,144)
Net cash provided by (used in) operating activities	8,611	(7,645)
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment	(117)	(165)
Proceeds from sales of assets	49	21
Sales of temporary investments	3,704	4,500
Purchases of temporary investments	(2,054)	(6,846)
Net change in other assets and other liabilities	44	0
Net cash provided by (used in) investing activities	1,626	(2,490)
<b>Cash Flows from Financing Activities:</b>		
Proceeds from sales of Common Stock	2	21
Net cash provided by financing activities	2	21
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>10,239</b>	<b>(10,114)</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>56,617</b>	<b>70,943</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>\$66,856</b>	<b>\$60,829</b>

(1) 2007 includes a \$1.7 million non-cash, goodwill impairment charge. 2006 includes a \$3.1 million non-cash, goodwill impairment charge.