



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

	For the Three Months Ended					
	July 1, 2007	% of Sales	July 2, 2006	% of Sales	Apr. 1, 2007	% of Sales
Sales	\$59,319	100.0%	\$40,652	100.0%	\$75,984	100.0%
Cost of Sales	47,180	79.5%	33,859	83.3%	61,681	81.2%
Gross margin	12,139	20.5%	6,793	16.7%	14,303	18.8%
Operating Expenses:						
Selling, general and administrative	10,295	17.4%	10,357	25.5%	10,120	13.3%
Research and development	1,784	3.0%	2,475	6.1%	1,739	2.3%
License and patent fee income	(102)	(0.2%)	(1,085)	(2.7%)	(350)	(0.5%)
Goodwill impairment charge	1,253	2.1%	2,341	5.8%	1,710	2.3%
Restructuring charges (reversals)	(44)	(0.1%)	4,291	10.6%	(38)	(0.1%)
Total operating expenses	13,186	22.2%	18,379	45.2%	13,181	17.3%
Operating Income (Loss)	(1,047)	(1.8%)	(11,586)	(28.5%)	1,122	1.5%
Interest and other income and expense, net	912	1.5%	390	1.0%	255	0.3%
Income (Loss) Before Income Taxes	(135)	(0.2%)	(11,196)	(27.5%)	1,377	1.8%
Benefit (Provision) for Income Taxes	1,226	2.1%	797	2.0%	(228)	(0.3%)
Net Income (Loss)	\$1,091	1.8%	\$(10,399)	(25.6%)	\$1,149	1.5%
Net Income (Loss) Per Share	\$0.02		\$(0.20)		\$0.02	
Diluted Income (Loss) Per Share	\$0.02		\$(0.20)		\$0.02	
Weighted Average Common Shares Outstanding	54,737		51,658		54,733	
Weighted Average Common Shares Outstanding - Assuming Dilution	55,148		51,658		54,979	

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

	For the Three Months Ended					
	July 1, 2007	% of Sales	July 2, 2006	% of Sales	Apr. 1, 2007	% of Sales
Sales:						
Consumer Products:						
Consumer Storage Solutions ⁽¹⁾	\$40,088	67.6%	\$20,150	49.6%	\$52,489	69.1%
Zip	3,763	6.3%	7,793	19.2%	5,518	7.3%
Business Products:						
REV	9,203	15.5%	8,889	21.9%	11,204	14.7%
Network Storage Systems ⁽²⁾	4,816	8.1%	3,395	8.4%	4,738	6.2%
Services ⁽³⁾	1,353	2.3%	146	0.4%	1,892	2.5%
Other Products	96	0.2%	279	0.7%	143	0.2%
Total Sales	\$59,319		\$40,652		\$75,984	
Product Operating Income (Loss):						
Consumer Products:						
Consumer Storage Solutions ⁽¹⁾	\$50		\$(4,723)		\$354	
Zip ⁽⁴⁾	225		48		355	
Business Products:						
REV	(274)		(3,759)		304	
Network Storage Systems ⁽²⁾	(764)		33		409	
Services ⁽³⁾	(535)		125		(520)	
Other Products	207		981		182	
Restructuring (charges) reversals	44		(4,291)		38	
Operating Income (Loss)	\$(1,047)		\$(11,586)		\$1,122	

(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.

(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) Q2 2007, Q2 2006 and Q1 2007 includes a \$1.3 million, a \$2.3 million and a \$1.7 million goodwill impairment charge, respectively.



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

(Unaudited)

	For the Six Months Ended			
	July 1, 2007	% of Sales	July 2, 2006	% of Sales
Sales	\$135,303	100.0%	\$99,733	100.0%
Cost of Sales	108,861	80.5%	81,139	81.4%
Gross margin	26,442	19.5%	18,594	18.6%
Operating Expenses:				
Selling, general and administrative ⁽¹⁾	20,415	15.1%	22,817	22.9%
Research and development	3,523	2.6%	5,042	5.1%
License and patent fee income	(452)	(0.3%)	(1,085)	(1.1%)
Goodwill impairment charges	2,963	2.2%	5,422	5.4%
Restructuring charges (reversals)	(82)	(0.1%)	4,569	4.6%
Total operating expenses	26,367	19.5%	36,765	36.9%
Operating Income (Loss)	75	0.1%	(18,171)	(18.2%)
Interest and other income and expense, net	1,167	0.9%	1,404	1.4%
Income (Loss) Before Income Taxes	1,242	0.9%	(16,767)	(16.8%)
Benefit for Income Taxes	998	0.7%	2,199	2.2%
Net Income (Loss)	\$2,240	1.7%	\$(14,568)	(14.6%)
Income (Loss) Per Share	\$0.04		\$(0.28)	
Diluted Earnings (Loss) Per Share	\$0.04		\$(0.28)	
Weighted Average Common Shares Outstanding	54,735		51,653	
Weighted Average Common Shares - Assuming Dilution	55,054		51,653	

(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 1, 2007	% of Sales	July 2, 2006	% of Sales
Sales:				
<u>Consumer Products:</u>				
Consumer Storage Solutions ⁽¹⁾	\$92,577	68.4%	\$51,682	51.8%
Zip	9,281	6.9%	19,436	19.5%
<u>Business Products:</u>				
REV	20,407	15.1%	19,668	19.7%
Network Storage Systems ⁽²⁾	9,554	7.1%	8,251	8.3%
Services ⁽³⁾	3,245	2.4%	261	0.3%
Other Products	239	0.2%	435	0.4%
Total Sales	\$135,303		\$99,733	
Product Operating Income (Loss):				
<u>Consumer Products:</u>				
Consumer Storage Solutions ⁽¹⁾	\$404		(9,922)	
Zip ⁽⁴⁾	580		1,107	
<u>Business Products:</u>				
REV	30		(5,375)	
Network Storage Systems ⁽²⁾	(355)		420	
Services ⁽³⁾	(1,055)		227	
Other Products ⁽⁶⁾	389		936	
Non-Restructuring charges ⁽⁵⁾	0		(995)	
Restructuring reversals (charges)	82		(4,569)	
Operating Income (Loss)	\$75		\$(18,171)	

(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) 2007 and 2006 includes \$3.0 million and \$5.4 million of goodwill impairment charges, respectively.

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

(6) 2007 and 2006 includes \$0.5 million and \$0.8 million of income associated with the sale of old patents, respectively.



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

	July 1, 2007	Apr. 1, 2007	Dec. 31, 2006
ASSETS:			
Cash and cash equivalents	\$70,274	\$66,856	\$56,617
Restricted cash	88	88	88
Temporary investments	4,766	9,904	11,443
Total cash	75,128	76,848	68,148
Trade receivables, net	21,402	23,357	30,418
Inventories	41,530	41,482	42,593
Deferred income taxes	2,247	0	2,747
Other current assets	2,385	2,957	3,401
Total Current Assets	142,692	144,644	147,307
Property and equipment, net	5,161	5,761	6,553
Intangible and other assets	10,760	11,959	13,554
	<u>\$158,613</u>	<u>\$162,364</u>	<u>\$167,414</u>
LIABILITIES AND STOCKHOLDERS' EQUITY:			
Accounts payable	\$30,888	\$35,330	\$35,105
Income taxes payable	1,646	958	454
Deferred income taxes	0	153	0
Other current liabilities	22,350	23,969	32,475
Total Current Liabilities	54,884	60,410	68,034
Deferred income taxes	8,048	6,075	9,573
Long-term liabilities	2,842	4,414	0
Stockholders' equity	92,839	91,465	89,807
	<u>\$158,613</u>	<u>\$162,364</u>	<u>\$167,414</u>

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

	For the Six Months Ended	
	July 1, 2007	July 2, 2006
Cash Flows from Operating Activities:		
Net Income (Loss)	\$2,240	\$(14,568)
Revenue and Expense Adjustments ⁽¹⁾	6,607	4,757
	8,847	(9,811)
Changes in Assets and Liabilities:		
Trade receivables	9,382	14,397
Restricted cash	0	169
Inventories	481	(1,154)
Other current assets	1,016	279
Accounts payable	(4,217)	(18,226)
Accrued restructuring	(1,660)	1,156
Other current liabilities and income taxes	(9,520)	(4,971)
Net cash provided by (used in) operating activities	<u>4,329</u>	<u>(18,161)</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	(279)	(403)
Proceeds from sales of assets	56	82
Additional payments associated with CSCI, Inc. acquisition	(120)	0
Sales of temporary investments	13,554	17,420
Purchases of temporary investments	(6,795)	(11,280)
Net change in other assets and other liabilities	2,885	7
Net cash provided by investing activities	<u>9,301</u>	<u>5,826</u>
Cash Flows from Financing Activities:		
Proceeds from sales of Common Stock	27	34
Net cash provided by financing activities	<u>27</u>	<u>34</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>13,657</u>	<u>(12,301)</u>
Cash and Cash Equivalents at Beginning of Period	<u>56,617</u>	<u>70,943</u>
Cash and Cash Equivalents at End of Period	<u>\$70,274</u>	<u>\$58,642</u>

(1) 2007 includes a \$3.0 million non-cash, goodwill impairment charge. 2006 includes a \$5.4 million non-cash, goodwill impairment charge.