



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

	For the Three Months Ended					
	Sept. 30, 2007	% of Sales	Oct. 1, 2006	% of Sales	July 1, 2007	% of Sales
Sales	\$ 80,667	100.0%	\$ 53,595	100.0%	\$ 59,319	100.0%
Cost of Sales	67,714	83.9%	41,379	77.2%	47,180	79.5%
Gross margin	12,953	16.1%	12,216	22.8%	12,139	20.5%
Operating Expenses:						
Selling, general and administrative	10,120	12.5%	8,657	16.2%	10,295	17.4%
Research and development	1,872	2.3%	1,904	3.6%	1,784	3.0%
License and patent fee income	-	0.0%	-	0.0%	(102)	(0.2%)
Goodwill impairment charge	-	0.0%	2,513	4.7%	1,253	2.1%
Restructuring reversals	(153)	(0.2%)	(211)	(0.4%)	(44)	(0.1%)
Total operating expenses	11,839	14.7%	12,863	24.0%	13,186	22.2%
Operating Income (Loss)	1,114	1.4%	(647)	(1.2%)	(1,047)	(1.8%)
Interest and other income and expense, net <sup>(1)</sup>	728	0.9%	1,709	3.2%	912	1.5%
Income (Loss) Before Income Taxes	1,842	2.3%	1,062	2.0%	(135)	(0.2%)
Benefit (Provision) for Income Taxes	(549)	(0.7%)	(209)	(0.4%)	1,226	2.1%
Net Income	\$ 1,293	1.6%	\$ 853	1.6%	\$ 1,091	1.8%
Net Income Per Share	\$ 0.02		\$ 0.02		\$ 0.02	
Diluted Income Per Share	\$ 0.02		\$ 0.02		\$ 0.02	
Weighted Average Common Shares Outstanding	54,754		53,382		54,737	
Weighted Average Common Shares Outstanding - Assuming Dilution	55,518		53,389		55,148	

(1) Q3 2006 included 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.

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

	For the Three Months Ended					
	Sept. 30, 2007	% of Sales	Oct. 1, 2006	% of Sales	July 1, 2007	% of Sales
<b>Sales:</b>						
<u>Consumer Products:</u>						
Consumer Storage Solutions <sup>(1)</sup>	\$ 60,685	75.2%	\$ 30,317	56.6%	\$ 40,088	67.6%
Zip	3,816	4.7%	6,245	11.7%	3,763	6.3%
<u>Business Products:</u>						
REV	8,981	11.1%	11,201	20.9%	9,203	15.5%
Network Storage Systems <sup>(2)</sup>	5,523	6.8%	4,473	8.3%	4,816	8.1%
Services <sup>(3)</sup>	1,653	2.0%	1,254	2.3%	1,353	2.3%
Other Products	9	0.0%	105	0.2%	96	0.2%
Total Sales	\$ 80,667		\$ 53,595		\$ 59,319	
<b>Product Operating Income (Loss):</b>						
<u>Consumer Products:</u>						
Consumer Storage Solutions <sup>(1)</sup>	\$ (545)		\$ (1,744)		\$ 50	
Zip <sup>(4)</sup>	1,224		767		225	
<u>Business Products:</u>						
REV	204		(367)		(274)	
Network Storage Systems <sup>(2)</sup>	566		464		(764)	
Services <sup>(3)</sup>	(349)		(53)		(535)	
Other Products	(139)		75		207	
Restructuring reversals	153		211		44	
Operating Income (Loss)	\$ 1,114		\$ (647)		\$ (1,047)	

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

(2) Includes Network HDD products.

(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.

(4) Q3 2006 and Q2 2007 included a \$2.5 million and a \$1.3 million goodwill impairment charge, respectively.



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

	For the Nine Months Ended			
	Sept. 30, 2007	% of Sales	Oct. 1, 2006	% of Sales
Sales	\$ 215,970	100.0%	\$ 153,328	100.0%
Cost of Sales	176,575	81.8%	122,518	79.9%
Gross margin	39,395	18.2%	30,810	20.1%
Operating Expenses:				
Selling, general and administrative <sup>(1)</sup>	30,535	14.1%	31,474	20.5%
Research and development	5,395	2.5%	6,946	4.5%
License and patent fee income	(452)	(0.2%)	(1,085)	(0.7%)
Goodwill impairment charges	2,963	1.4%	7,935	5.2%
Restructuring charges (reversals)	(235)	(0.1%)	4,358	2.8%
Total operating expenses	38,206	17.7%	49,628	32.4%
Operating Income (Loss)	1,189	0.6%	(18,818)	(12.3%)
Interest and other income and expense, net <sup>(2)</sup>	1,895	0.9%	3,113	2.0%
Income (Loss) Before Income Taxes	3,084	1.4%	(15,705)	(10.2%)
Benefit for Income Taxes	449	0.2%	1,990	1.3%
Net Income (Loss)	\$ 3,533	1.6%	\$ (13,715)	(8.9%)
Income (Loss) Per Share	\$ 0.06		\$ (0.26)	
Diluted Earnings (Loss) Per Share	\$ 0.06		\$ (0.26)	
Weighted Average Common Shares Outstanding	54,741		52,230	
Weighted Average Common Shares - Assuming Dilution	55,093		52,230	

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

(2) 2006 included 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.

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

	For the Nine Months Ended			
	Sept. 30, 2007	% of Sales	Oct. 1, 2006	% of Sales
<b>Sales:</b>				
<u>Consumer Products:</u>				
Consumer Storage Solutions <sup>(1)</sup>	\$ 153,262	71.0%	\$ 81,999	53.5%
Zip	13,097	6.1%	25,681	16.7%
<u>Business Products:</u>				
REV	29,388	13.6%	30,869	20.1%
Network Storage Systems <sup>(2)</sup>	15,077	7.0%	12,724	8.3%
Services <sup>(3)</sup>	4,898	2.3%	1,515	1.0%
Other Products	248	0.1%	540	0.4%
Total Sales	\$ 215,970		\$ 153,328	
<b>Product Operating Income (Loss):</b>				
<u>Consumer Products:</u>				
Consumer Storage Solutions <sup>(1)</sup>	\$ (141)		\$ (11,666)	
Zip <sup>(4)</sup>	1,804		1,874	
<u>Business Products:</u>				
REV	234		(5,742)	
Network Storage Systems <sup>(2)</sup>	211		884	
Services <sup>(3)</sup>	(1,404)		174	
Other Products <sup>(6)</sup>	250		1,011	
Non-restructuring charges <sup>(5)</sup>	-		(995)	
Restructuring reversals (charges)	235		(4,358)	
Operating Income (Loss)	\$ 1,189		\$ (18,818)	

(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 \$7.9 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)

	Sept. 30, 2007	July 1, 2007	Dec. 31, 2006
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 53,356	\$ 70,274	\$ 56,617
Restricted cash	92	88	88
Temporary investments	15,919	4,766	11,443
Total cash	69,367	75,128	68,148
Trade receivables, net	48,016	21,402	30,418
Inventories	68,183	41,530	42,593
Deferred income taxes	1,997	2,247	2,747
Other current assets	2,729	2,385	3,401
Total Current Assets	190,292	142,692	147,307
Property and equipment, net	4,458	5,161	6,553
Intangible and other assets	10,719	10,760	13,554
	<u>\$ 205,469</u>	<u>\$ 158,613</u>	<u>\$ 167,414</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>			
Accounts payable	\$ 72,145	\$ 30,888	\$ 35,105
Income taxes payable	2,002	1,646	454
Other current liabilities	26,183	22,350	32,475
Total Current Liabilities	100,330	54,884	68,034
Deferred income taxes	7,829	8,048	9,573
Long-term liabilities	2,891	2,842	-
Stockholders' equity	94,419	92,839	89,807
	<u>\$ 205,469</u>	<u>\$ 158,613</u>	<u>\$ 167,414</u>

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

	For the Nine Months Ended	
	Sept. 30, 2007	Oct. 1, 2006
<b>Cash Flows from Operating Activities:</b>		
Net Income (Loss)	\$ 3,533	\$ (13,715)
Revenue and Expense Adjustments <sup>(1)</sup>	4,548	6,843
	8,081	(6,872)
Changes in Assets and Liabilities:		
Trade receivables	(17,900)	359
Restricted cash	(4)	169
Inventories	(26,281)	(6,405)
Other current assets	672	1,124
Accounts payable	37,040	(4,119)
Accrued restructuring	(1,763)	(874)
Other current liabilities and income taxes	1,342	(4,445)
Net cash provided by (used in) operating activities	<u>1,187</u>	<u>(21,063)</u>
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment	(301)	(1,558)
Proceeds from sales of assets	136	173
Additional payments associated with CSCI, Inc. acquisition	(120)	-
Purchase of CSCI, Inc. (net of \$183,000 cash)	-	(4,339)
Sales of temporary investments	15,894	24,161
Purchases of temporary investments	(20,206)	(13,425)
Net change in other assets and other liabilities	50	7
Net cash (used in) provided by investing activities	<u>(4,547)</u>	<u>5,019</u>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from sales of Common Stock	99	416
Net cash provided by financing activities	<u>99</u>	<u>416</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(3,261)</b>	<b>(15,628)</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><u>\$ 53,356</u></b>	<b><u>\$ 55,315</u></b>

(1) 2007 and 2006 includes \$3.0 million and \$7.9 million of non-cash, goodwill impairment charges, respectively.