



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

	For the Three Months Ended					
	Dec. 31, 2007	% of Sales	Dec. 31, 2006	% of Sales	Sept. 30, 2007	% of Sales
Sales	\$ 120,644	100.0%	\$ 76,226	100.0%	\$ 80,667	100.0%
Cost of Sales	99,783	82.7%	60,824	79.8%	67,714	83.9%
Gross margin	20,861	17.3%	15,402	20.2%	12,953	16.1%
Operating Expenses:						
Selling, general and administrative ⁽¹⁾	14,610	12.1%	9,917	13.0%	10,120	12.5%
Research and development	2,711	2.2%	1,959	2.6%	1,872	2.3%
License and patent fee income	(3,500)	(2.9%)	-	0.0%	-	0.0%
Goodwill impairment charge	-	0.0%	793	1.0%	-	0.0%
Restructuring reversals	(109)	(0.1%)	(829)	(1.1%)	(153)	(0.2%)
Total operating expenses	13,712	11.4%	11,840	15.5%	11,839	14.7%
Operating Income	7,149	5.9%	3,562	4.7%	1,114	1.4%
Interest and other income and expense, net	1,083	0.9%	752	1.0%	728	0.9%
Income Before Income Taxes	8,232	6.8%	4,314	5.7%	1,842	2.3%
Benefit (Provision) for Income Taxes	(1,710)	(1.4%)	286	0.4%	(549)	(0.7%)
Net Income From Continuing Operations	6,522	5.4%	4,600	6.0%	1,293	1.6%
Income From Discontinued ByteTaxi, Inc. Operations (net of taxes) ⁽²⁾	-	0.0%	272	0.4%	-	0.0%
Net Income	\$ 6,522	5.4%	\$ 4,872	6.4%	\$ 1,293	1.6%
Net Income Per Share	\$ 0.12		\$ 0.09		\$ 0.02	
Diluted Income Per Share	\$ 0.12		\$ 0.09		\$ 0.02	
Weighted Average Common Shares Outstanding	54,764		54,730		54,754	
Weighted Average Common Shares Outstanding - Assuming Dilution	55,305		55,191		55,518	

(1) Q4 2007 and Q3 2007 includes \$1.2 million and \$0.3 million of professional fees paid to 3rd parties in connection with the anticipated ExcelStor Group acquisition, respectively.

(2) 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, 2007	% of Sales	Dec. 31, 2006	% of Sales	Sept. 30, 2007	% of Sales
Sales:						
<u>Consumer Products:</u>						
Consumer Storage Solutions ⁽¹⁾	\$ 96,863	80.3%	\$ 52,150	68.4%	\$ 60,685	75.2%
Zip	2,853	2.4%	5,472	7.2%	3,816	4.7%
<u>Business Products:</u>						
REV	9,186	7.6%	11,929	15.6%	8,981	11.1%
Network Storage Systems ⁽²⁾	8,949	7.4%	5,093	6.7%	5,523	6.8%
Services ⁽³⁾	2,763	2.3%	1,536	2.0%	1,653	2.0%
Other Products	30	0.0%	46	0.1%	9	0.0%
Total Sales	\$ 120,644		\$ 76,226		\$ 80,667	
Product Operating Income (Loss):						
<u>Consumer Products:</u>						
Consumer Storage Solutions ⁽¹⁾	\$ 2,641		\$ 2,331		\$ (545)	
Zip ⁽⁴⁾	1,056		1,510		1,224	
<u>Business Products:</u>						
REV	252		(1,198)		204	
Network Storage Systems ⁽²⁾	(206)		690		566	
Services ⁽³⁾	(51)		(464)		(349)	
Other Products ⁽⁵⁾	3,348		(136)		(139)	
Restructuring reversals	109		829		153	
Operating Income	\$ 7,149		\$ 3,562		\$ 1,114	

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

(2) Includes Network HDD drives.

(3) Includes the System Integration and Managed Services businesses of CSCI, Inc. Also includes miscellaneous Iomega services previously classified in Other Products.

(4) Q4 2006 included a \$0.8 million goodwill impairment charge.

(5) Q4 2007 includes a pre-tax, cash benefit of \$3.5 million related to a prior license of intellectual property.



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

	For the Twelve Months Ended			
	Dec. 31, 2007	% of Sales	Dec. 31, 2006	% of Sales
Sales	\$ 336,614	100.0%	\$ 229,554	100.0%
Cost of Sales	276,358	82.1%	183,342	79.9%
Gross margin	60,256	17.9%	46,212	20.1%
Operating Expenses:				
Selling, general and administrative ^{(1) (3)}	45,145	13.4%	41,391	18.0%
Research and development	8,106	2.4%	8,905	3.9%
License and patent fee income	(3,952)	(1.2%)	(1,085)	(0.5%)
Goodwill impairment charges	2,963	0.9%	8,728	3.8%
Restructuring charges (reversals)	(344)	(0.1%)	3,529	1.5%
Total operating expenses	51,918	15.4%	61,468	26.8%
Operating Income (Loss)	8,338	2.5%	(15,256)	(6.6%)
Interest and other income and expense, net ⁽²⁾	2,978	0.9%	3,865	1.7%
Income (Loss) Before Income Taxes	11,316	3.4%	(11,391)	(5.0%)
Benefit (Provision) for Income Taxes	(1,261)	(0.4%)	2,276	1.0%
Income (Loss) From Continuing Operations	10,055	3.0%	(9,115)	(4.0%)
Income From Discontinued ByteTaxi, Inc. Operations (net of taxes) ⁽⁴⁾	-	0.0%	272	0.1%
Net Income (Loss)	\$ 10,055	3.0%	\$ (8,843)	(3.9%)
Income (Loss) Per Share	\$ 0.18		\$ (0.17)	
Diluted Earnings (Loss) Per Share	\$ 0.18		\$ (0.17)	
Weighted Average Common Shares Outstanding	54,747		52,855	
Weighted Average Common Shares Outstanding - Assuming Dilution	55,204		52,855	

- (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.
(3) 2007 includes \$2.3 million of professional fees paid to 3rd parties in connection with the anticipated ExcelStor Group acquisition.
(4) 2006 relates to the final payment from an escrow account associated with the ByteTaxi, Inc. sale.

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

	For the Twelve Months Ended			
	Dec. 31, 2007	% of Sales	Dec. 31, 2006	% of Sales
Sales:				
<u>Consumer Products:</u>				
Consumer Storage Solutions ⁽¹⁾	\$ 250,125	74.3%	\$ 134,149	58.4%
Zip	15,950	4.7%	31,153	13.6%
<u>Business Products:</u>				
REV	38,574	11.5%	42,798	18.6%
Network Storage Systems ⁽²⁾	24,026	7.1%	17,817	7.8%
Services ⁽³⁾	7,661	2.3%	3,051	1.3%
Other Products	278	0.1%	586	0.3%
Total Sales	\$ 336,614		\$ 229,554	
Product Operating Income (Loss):				
<u>Consumer Products:</u>				
Consumer Storage Solutions ⁽¹⁾	\$ 2,500		\$ (9,335)	
Zip ⁽⁴⁾	2,860		3,384	
<u>Business Products:</u>				
REV	486		(6,940)	
Network Storage Systems ⁽²⁾	5		1,574	
Services ⁽³⁾	(1,455)		(290)	
Other Products ^{(6) (7)}	3,598		875	
Non-Restructuring charges ⁽⁵⁾	-		(995)	
Restructuring reversals (charges)	344		(3,529)	
Operating Income (Loss)	\$ 8,338		\$ (15,256)	

- (1) Consumer Storage Solutions is comprised of hard disk, optical, floppy and flash drives.
(2) Includes Network HDD drives beginning in Q2 2006 - previously classified in Consumer Storage Solutions.
(3) Includes the System Integration and Managed Services businesses of CSCI, Inc. Also includes miscellaneous Iomega services previously classified in Other Products.
(4) 2007 and 2006 includes \$3.0 million and \$8.7 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.
(7) 2007 also includes a pre-tax, cash benefit of \$3.5 million related to a prior license of intellectual property.



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

	Dec. 31, 2007	Sept. 30, 2007	Dec. 31, 2006
ASSETS:			
Cash and cash equivalents	\$ 53,559	\$ 53,356	\$ 56,617
Restricted cash	93	92	88
Temporary investments	9,961	15,919	11,443
Total cash	63,613	69,367	68,148
Trade receivables, net	41,101	48,016	30,418
Inventories	79,883	68,183	42,593
Deferred income taxes	2,175	1,997	2,747
Other current assets	2,902	2,729	3,401
Total Current Assets	189,674	190,292	147,307
Property and equipment, net	3,867	4,458	6,553
Long-term cash investments	1,000	-	-
Intangible and other assets	10,667	10,719	13,554
	<u>\$ 205,208</u>	<u>\$ 205,469</u>	<u>\$ 167,414</u>
LIABILITIES AND STOCKHOLDERS' EQUITY:			
Accounts payable	\$ 61,951	\$ 72,145	\$ 35,105
Income taxes payable	3,368	2,002	454
Other current liabilities	27,862	26,183	32,475
Total Current Liabilities	93,181	100,330	68,034
Deferred income taxes	8,220	7,829	9,573
Long-term liabilities	2,652	2,891	-
Stockholders' equity	101,155	94,419	89,807
	<u>\$ 205,208</u>	<u>\$ 205,469</u>	<u>\$ 167,414</u>

CONDENSED STATEMENTS OF CASH FLOWS - YTD

(In thousands)
(Unaudited)

	For the Twelve Months Ended	
	Dec. 31, 2007	Dec. 31, 2006
Cash Flows from Operating Activities:		
Net Income (Loss)	\$ 10,055	\$ (8,843)
Revenue and Expense Adjustments ⁽¹⁾	8,102	8,546
	<u>18,157</u>	<u>(297)</u>
Changes in Assets and Liabilities:		
Trade receivables	(11,972)	(279)
Restricted cash	(5)	168
Inventories	(39,313)	(14,980)
Other current assets	499	1,604
Accounts payable	26,846	(593)
Accrued restructuring	(1,873)	(2,533)
Other current liabilities and income taxes	4,233	(6,042)
Net cash used in operating activities	<u>(3,428)</u>	<u>(22,952)</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	(573)	(1,906)
Proceeds from sales of assets	144	191
Additional payments associated with CSCI, Inc. acquisition	(120)	-
Purchase of CSCI, Inc. (net of \$183,000 cash)	-	(4,339)
Sales of temporary investments	24,419	30,856
Purchases of temporary investments	(23,679)	(17,080)
Proceeds from ByteTaxi Inc. escrow fund	-	446
Net change in other assets and other liabilities	51	7
Net cash provided by investing activities	<u>242</u>	<u>8,175</u>
Cash Flows from Financing Activities:		
Proceeds from sales of Common Stock	106	430
Tax benefit from dispositions of employee stock	22	21
Net cash provided by financing activities	<u>128</u>	<u>451</u>
Net Decrease in Cash and Cash Equivalents	<u>(3,058)</u>	<u>(14,326)</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>\$ 53,559</u>	<u>\$ 56,617</u>

(1) 2007 and 2006 includes \$3.0 million and \$8.7 million of non-cash, goodwill impairment charges, respectively.