



**I OMEGA Enters Definitive
Agreement to Acquire
ExcelStor Group**

December 12, 2007



Cautionary Note About Forward-Looking Statements

Statements in this presentation regarding the highlights of the ExcelStor Acquisition (“Transaction”), accretion; potential incremental sales; access to and launch of new products; cross-selling opportunities; potential new markets and market sizes; access to China markets; partnering with CEC; Transaction synergies; all pro forma financial and performance estimates after closing the Transaction including 2008, 2009 and 2010 incremental revenue, income and synergy estimates; cost savings; operating leverage; tax benefits and rates; and all other statements that are not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All such forward-looking statements are based upon information available to Iomega as of the date hereof, and Iomega disclaims any intention or obligation to update any such forward looking statements. Actual results could differ materially from the current expectations.

Factors that could cause or contribute to such differences include the failure to close the Transaction; post closing integration challenges; difficulties in realizing cost savings and synergies; difficulties in accessing and launching new product lines; downturn or loss of any major customer; a downturn or sale of any ExcelStor OEM customer; a lack of success of new products due to market and competitive pressures; restructuring or other charges necessary as part of the integration; legal, compliance, accounting or Sarbanes Oxley issues arising from a complex global operation; unforeseen technical or manufacturing challenges; reactions or changes to business relationships resulting from the Transaction; unexpected cost or burden increases resulting from the Transaction; ability to maintain stringent quality assurance standards; availability of critical product components; the failure or delay of any sole source supplier; products and technology obsolescence; manufacturing and inventory issues; management turnover; cultural or communication issues adversely impacting the integration; intellectual property rights; competition; litigation; difficulties realizing the tax strategy, Government inquiries or directives; general economic and/or industry-specific conditions; and the other risks and uncertainties identified in the reports filed from time to time by Iomega with the SEC, including Iomega's most recent Forms 10-Q and 10-K.



Transaction Summary

Transaction

- Acquisition of ExcelStor Technology, a subsidiary of Great Wall Technology (GWT) and China Electronics Corporation (CEC), by Iomega

Consideration

- All stock consideration
- ~140 mm post-transaction fully diluted shares outstanding
- Post-transaction ownership:
 - GWT / CEC (43%)
 - Iomega (40%)
 - Other ExcelStor Investors (17%)

Value

- Transaction value of \$310 mm, based on Iomega's Market Cap of \$207 mm
- Implied ExcelStor multiples of 0.32x '08 Rev; 6.6x '08 EBITDA; 13.6x '08 PE

Pro Forma Company

- Will remain a public company (NYSE: IOM) headquartered in San Diego, CA
- 9 Board Members: 5 from GWT / CEC and 4 from Iomega
 - Dr. Z.X. Chen (Pres. of CEC)
 - Lu Ming (VP of CEC and Pres. of GWT)
 - Stephen David (Current Chair of Iomega)
 - Jon Huberman (Current CEO of Iomega)
 - Eddie Lui (Current CEO of ExcelStor)
- Management
 - CEO: Jonathan Huberman
 - Pres. / COO: Thomas Kampfer
 - Exec Chairman: Eddie Lui
 - CFO: Preston Romm

Financial Impact

- Accretive w/o synergies (excl. one-time transaction-related costs)
- Substantially more accretive assuming synergies

Closing

- Approval by Great Wall and Iomega shareholders
- HSR and PRC regulatory approvals
- Anticipated to close in approximately 6 months from announcement

Highlights of Transaction

- **Creates a global Consumer Storage and Electronics Company**
- **Combine Iomega's global brand and channels with ExcelStor's China presence and manufacturing capabilities**
- **Drive significant incremental sales in adjacent Consumer Electronics markets in partnership with CEC sister companies**
- **Combine best talents from both companies to create an experienced global management team**
- **Cash EPS accretive**

ExcelStor at a Glance



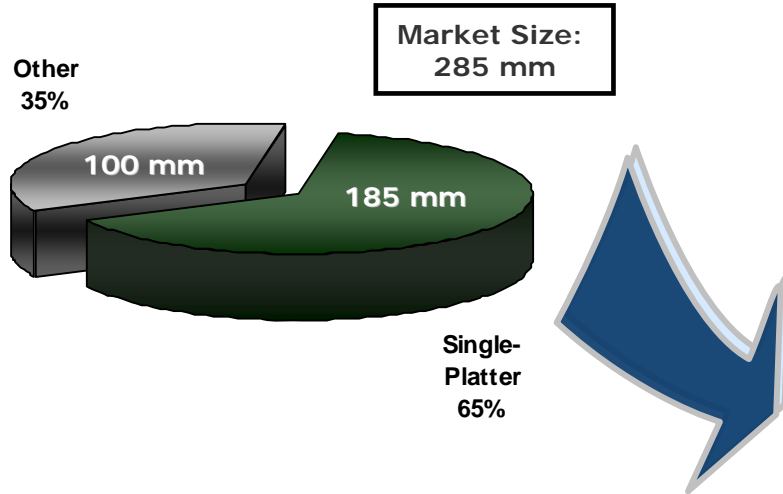
- Privately held; founded in 2001 by former Seagate and Connor Peripheral Executives
- Headquartered in Shenzhen, China, with 2,700 total employees
- Manufacturer of internal / external hard drives and storage systems with a strong OEM relationship with major HDD company
 - This strategic OEM relationship represents approximately 84% of revenue
 - ExcelStor produces over **20 million** single-platter drives per year
- 2007 Revenue forecasted at \$818.2 mm and net income of \$18.3 mm
- Manufactures and sells other HDD & storage products, including Iomega's REV products
- ExcelStor branded products represent 12% of revenue
- World-class manufacturing expertise
- Design services

ExcelStor Overview

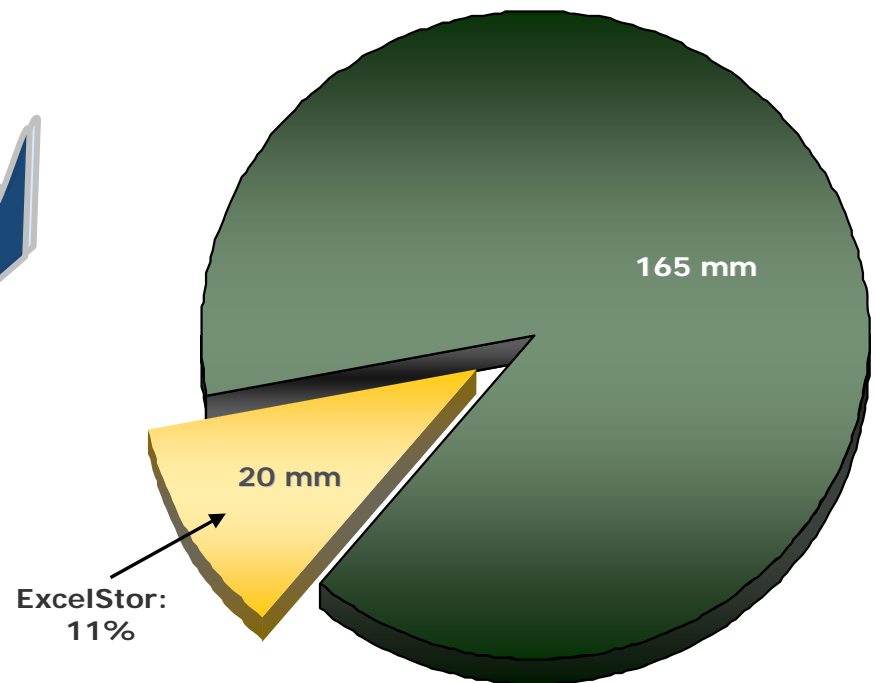
- Primary product line is single-platter hard drives
- Other products include:
 - External HDD
 - Autoloaders
 - Digital recordable jukebox
- Partners include:
 - Hitachi
 - Bell Microproducts
 - Freecom
 - Tandberg
 - Xander International
 - Hasee Technology
 - Fujitsu Korea
 - Iomega
- Experienced management team with over 20 years of disk drive manufacturing experience in the U.S., China, Singapore and Malaysia
- Facilities include a clean room, testing and production facility in Shenzhen

Single-Platter 3.5" HDD Market Share

Worldwide HDD Sales (units) of 3.5"

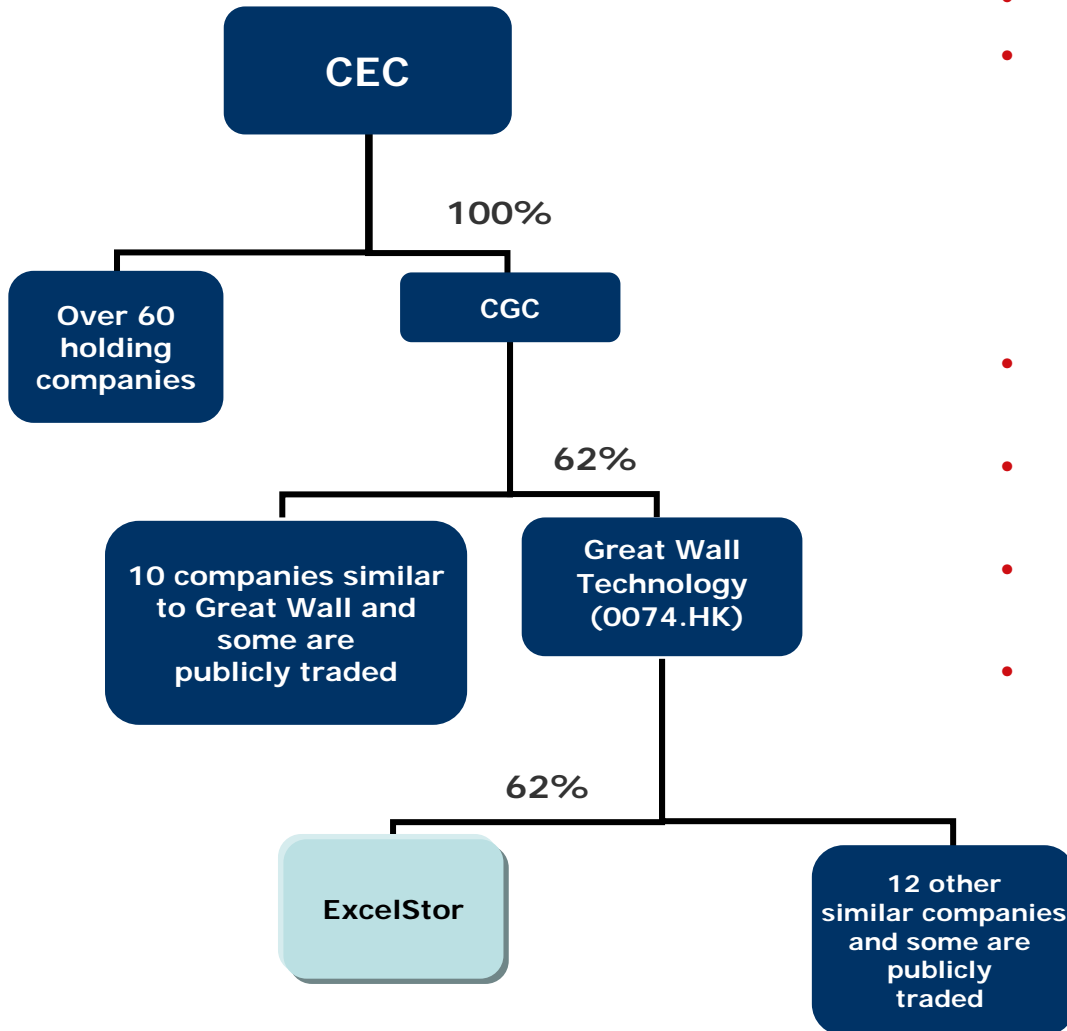


Single-Platter 3.5" HDD Vendor Shares (units)



- Single-platter drives account for ~65% of 3.5" market
- ExcelStor produces over 20 mm units per year of single-platter 3.5" HDDs

Overview of CEC Organization

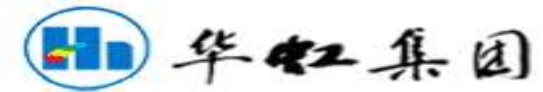


- China Electronics Corporation
- CEC is a PRC Government-owned conglomerate and CEC's affiliates generate over ~\$16 bn in revenues
 - Approximately 50% ODM / OEM
 - Approximately 50% branded products
- CEC controls over 1,000 companies and 10,000 products
- CEC will indirectly control 43% of Iomega
- Very limited distribution in the Americas and EMEA
- Portfolio company sectors include

– PCs	– Monitors
– Notebooks	– LCD TVs
– Servers	– Software
– HDD	– Semiconductor
– Cell Phones	– MP3 Players
– PDAs	– Consumer Electronics

CEC Sister Companies

- Great Wall Technology Co., Ltd.
- China National Electronic Corp.
- Shanghai Hua Hong (Group) Co., Ltd.
- Amoi Electronics Co., Ltd.
- CEC Holding Co., Ltd.
- SED Electronics Industry Corp.
- China National Software & Service Co., Ltd.
- CEC Corecast Co., Ltd
- Wuhan Zhongyuan Electronics Co., Ltd
- China Electronics Financial Co., Ltd
- China Integrated Circuit Design Co., Ltd
- Panda Electronics Co., Ltd
- Shanghai Pudong Software Park Co., Ltd.





Comparative Valuation Summary

(\$ in millions, except per share data)

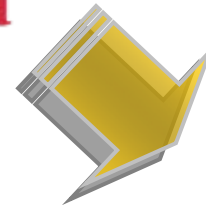
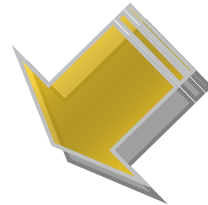
		<u>Offer Price for ExcelStor</u>	<u>Iomega At Market As of 12/10/07</u>		
Value	Stock Price		\$3.70		
	<i>% of 52-Week High</i>		64.3%		
	Equity Value	\$310.3	\$206.9		
	Debt	56.8	0.0		
	Cash	55.7	69.4		
	Enterprise Value	\$311.4	\$137.5		
	Pro Forma Ownership (100% Stock)	60.0%	40.0%		
Multiples		ExcelStor Metric ⁽¹⁾		Iomega Metric ⁽²⁾	
	EV / Revenue				
	CY 2007E	\$818.2	0.38x	0.45x	\$308.4
	CY 2008E	981.8	0.32x	0.36x	383.6
	EV / EBITDA				
	CY 2007E	\$38.5	8.1x	13.7x	\$10.1
	CY 2008E	47.1	6.6x	9.7x	14.2
	Equity Value / Net Income				
CY 2007E	\$18.3	16.9x	29.1x	\$7.1	
CY 2008E	22.8	13.6x	20.5x	10.1	

(1) 2007 ExcelStor net income excludes pre-tax transaction related expenses of \$4.0 mm (\$3.7 mm net income).

(2) 2007 Iomega net income excludes:

- i. Non-cash pre-tax goodwill impairment charge of \$3.0 mm (\$1.8 mm net income) incurred in Q1 and Q2;
- ii. Pre-tax transaction related expenses of \$2.0 mm (\$2.0 mm net income) incurred in Q2, Q3 and Q4; and
- iii. Pre-tax restructuring benefit of \$0.2 mm (\$0.1 mm net income) incurred Q1, Q2 and Q3.

Review of Iomega's Stand Alone Business



Strengths

- Global brand recognition
- Strong worldwide distribution channel
- Recent growth and momentum
- Profitable with \$69.4 mm in cash
- Ability to scale revenues without adding significant infrastructure
- Broad portfolio of hundreds of patents

Key Initiatives

- Leverage brand and channels with new products
- Scale to leverage existing infrastructure
- Extend business beyond external HDD business
- Penetrate Asian market where currently under-represented

Creating a Global Consumer Storage & Electronics Provider



- Extendable brand
- Strong channel relationships
- Global presence

EXCELSTOR

- World-class manufacturing expertise
- Size / profitability
- Growing OEM and branded storage business

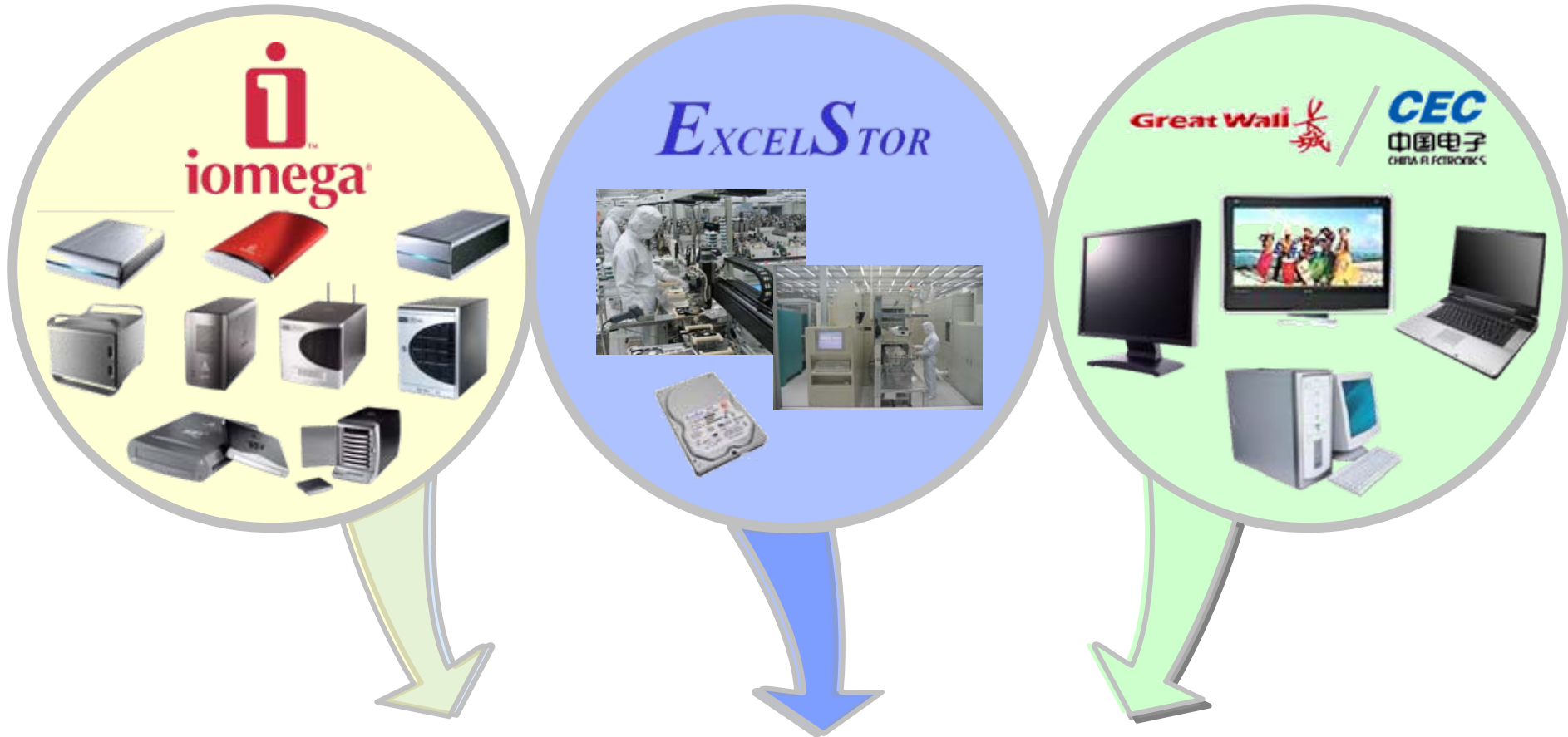


- Vast breadth of products
- Manufacturing and design capabilities
- Deep access into Chinese end markets

New Iomega

- Sell Iomega products into Chinese Markets
- Sell ExcelStor products outside China – increase size of current branded business
- Utilize in-house manufacturing where appropriate to lower COGS
- **Plan to partner with CEC's 1,000+ subsidiaries to sell globally through Iomega channel**

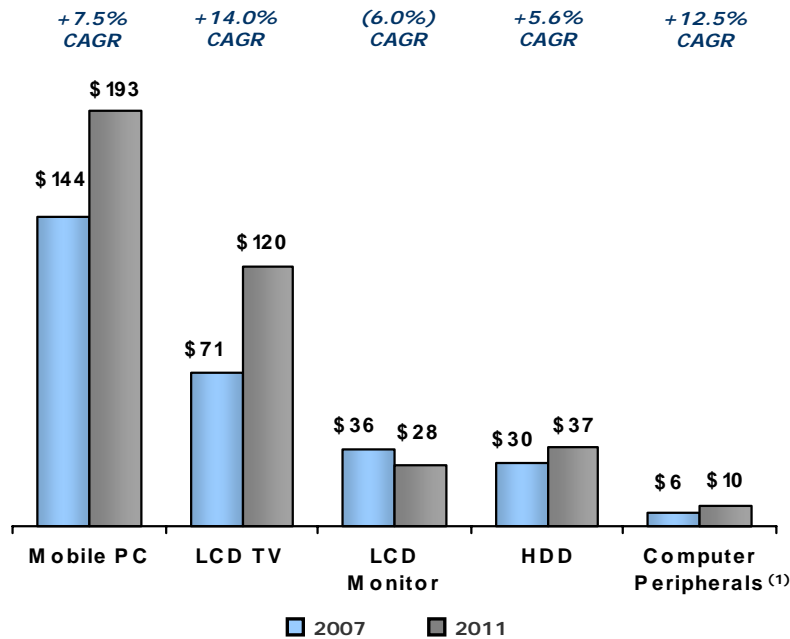
Cross-Selling Opportunities



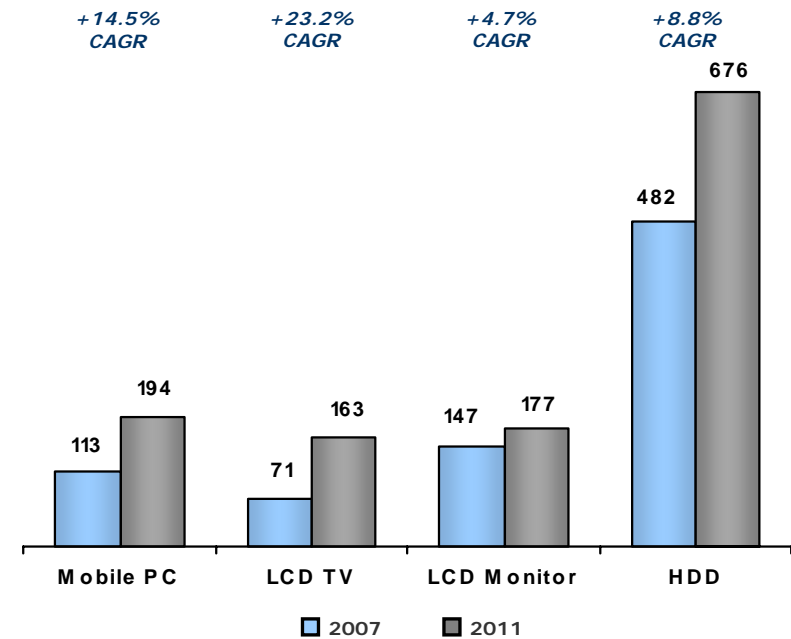
Expansion of product lines creates a unique portfolio

Immediate Market Expansion

Market Size (\$ billions)



Units Produced (millions)



- Significant opportunity to sell CEC products globally
- New Iomega will gain immediate access to large markets such as PCs and LCD panels

Note: Estimates from IDC and Industry Research. HDD forecast includes internal and external drives.

(1) Computer peripherals market includes (i) mice and keyboards, (ii) video web cameras and (iii) audio and gaming peripherals.

Source: IDC, Morgan Keegan research report dated 2/28/07 and Logitech.

Significant Synergies

Revenue

- Sell additional CEC products through Iomega's global channel
- Revenue potential:
 - LCD Monitors
 - LCD & HD TVs
 - PCs / Laptops / Servers
 - Other peripherals
 - Consumer Electronics
- Sell additional Iomega products in China
- Sell ExcelStor products in North America and Europe

Gross Margin

- Cost savings on Iomega products due to ExcelStor manufacturing efficiencies

Operating Leverage

- Scale revenue with small incremental op ex investment

Tax

- Significant reduction in pro forma tax rate achieved through step-up of ExcelStor assets
 - Effective tax rate going-forward ~ 12%

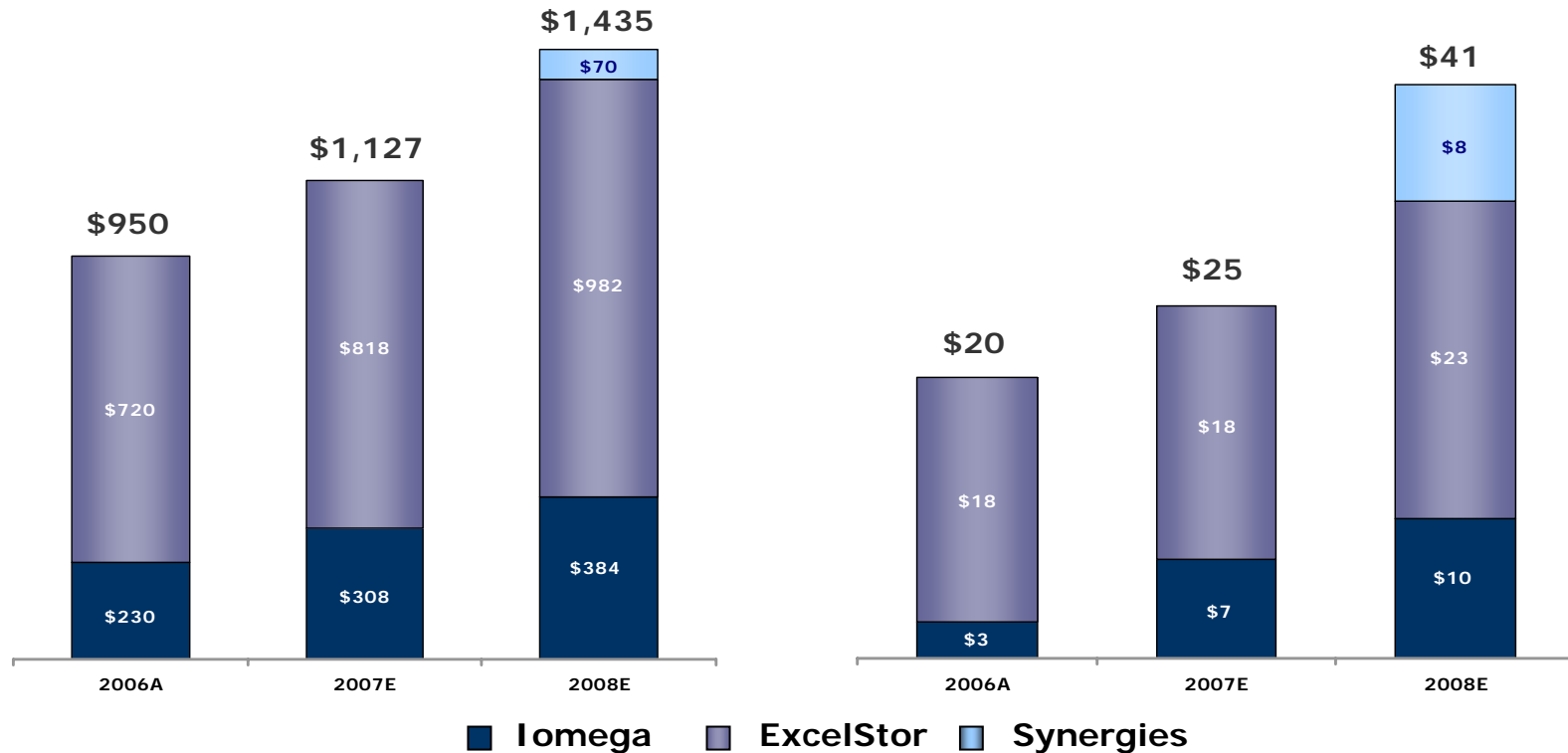


Pro Forma Operations – 2008 is a Year of Transition

(\$ in millions)

Revenue

Net Income ^{(1) (2) (3)}



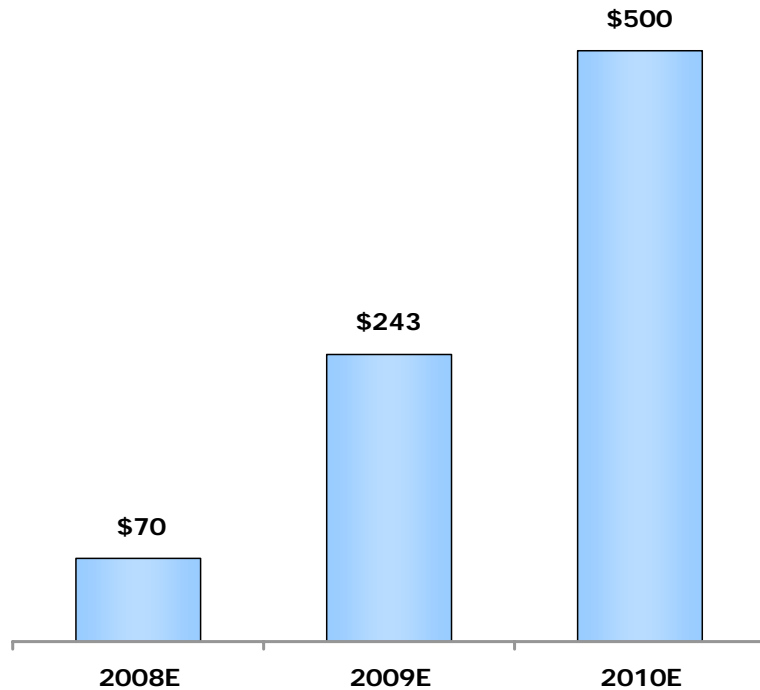
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- (2) 2006 Iomega net income reconciliation – see previously filed 10K and 10Qs.
- (3) 2007 ExcelStor net income excludes pre-tax transaction related expenses of \$4.0 mm (\$3.7 mm net income).



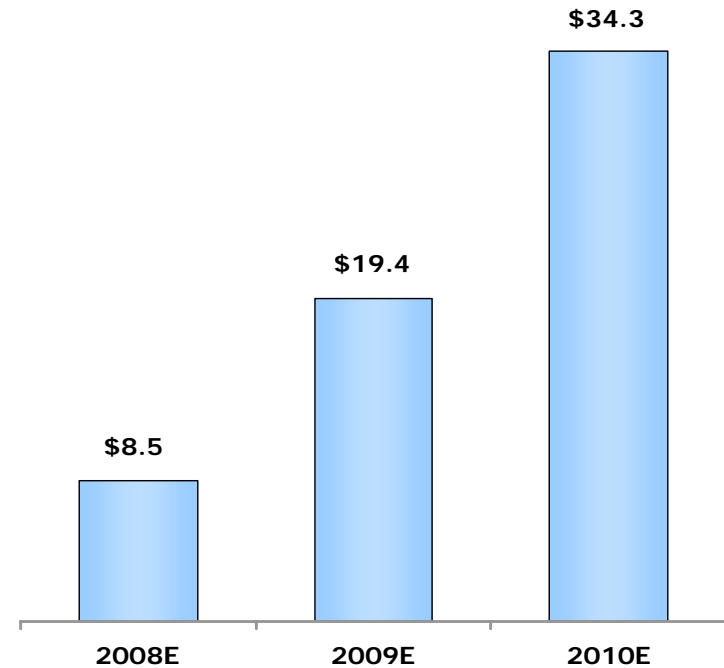
Significant Revenue and Cost Synergies Expected

(\$ in millions)

Incremental Revenue



Pre-Tax Synergies



Pro Forma Tax Benefits



Geographic Tax Rates

- U.S. ~ 0%
- Cayman Islands ~ 0%
- Europe ~ 18%
- China btwn 7.5% – 25.0% over next 7 years

Blended Tax Rate ~ 12%



Pro Forma 2008E Cash Earnings Per Share

(\$ in millions, except per share data)

	<u>Without Synergies</u>	<u>With Synergies</u>
• Iomega Stand Alone 2008E Earnings	\$10.1	\$10.1
• Plus: ExcelStor Stand Alone Earnings	\$22.8	\$22.8
• Plus: Net Income Impact ⁽¹⁾	\$1.0	\$8.4
• Pro Forma 2008E Cash Net Income ⁽²⁾	\$33.9	\$41.3

Per Share Basis

• Iomega Stand Alone 2008E EPS	\$0.18	\$0.18
• 2008E Cash EPS Accretion ⁽²⁾	\$0.06	\$0.12
• Pro Forma 2008E Cash EPS ⁽²⁾	\$0.24	\$0.30

(1) Assumes adjustments from interest income lost due to cash transaction expenses and an adjusted tax rate of 12% for the combined company.

(2) Pro forma cash net income and EPS is non-GAAP and excludes transaction-related restructuring costs and amortization of intangibles.



Pro Forma Balance Sheet

(\$ in millions)

	<u>Iomega</u> ⁽¹⁾	<u>ExcelStor</u> ⁽¹⁾	<u>Pro Forma</u> ⁽²⁾
Cash, Equivalents and Short-Term Investments	\$ 69.4	\$ 55.7	\$ 125.1
Total Assets	205.5	283.5	489.0
Total Debt	0.0	56.8	56.8
Total Liabilities	111.0	229.4	340.4
Shareholders' Equity	94.4	54.1	148.5

(1) Iomega and ExcelStor balance sheet as of Q307 and Q207, respectively.

(2) Pro forma balance sheet excludes transaction expenses.



Pro Forma Ownership

Investors	Affiliation	Ownership
CEC Subsidiaries	ExcelStor	43.1%
Top 10 Institutions	Iomega	18.8%
H&Q Asia Pacific	ExcelStor	6.1%
Foxteq Holdings	ExcelStor	6.1%
Management	ExcelStor / Iomega	4.7%
Other Institutional & Retail Investors	Iomega	21.2%
Pro Forma Total		100.0%

Stand Alone Iomega

- Globally Recognized Brand Name
 - External HDD, network storage drives and managed services offerings
 - Large, loyal installed base with 60 million drives sold
- Worldwide Channel Presence
 - Broad channel coverage focused on Consumer / SOHO / SMB markets
 - Strong platform for potential future products
- Global Infrastructure
 - Able to handle significantly more revenue than we currently generate
 - Headquartered in San Diego, CA with 253 employees
 - Sales offices worldwide
- Strong Financial Performance
 - Profitable revenue growth
 - \$69.4 million in cash, no debt
- Broad Patent Portfolio of Hundreds of Patents
- Currently Lacks Presence in China
 - Europe – 70%
 - U.S. – 28%
 - Asia-Pacific – 2%

Iomega Has a Strong Brand and Product Portfolio

Product	Description
	<ul style="list-style-type: none">• Portable storage products with 2.5" to 3.5" drives• Targets the Consumer and SOHO markets
	<ul style="list-style-type: none">• NAS and NHDD storage for backup and disaster recovery• Targets the Consumer, SOHO and SMB markets
	<ul style="list-style-type: none">• Backup storage products, removability and transport• Targets the SMB market
	<ul style="list-style-type: none">• Enterprise quality managed services for SMBs• Key relationships with leading security vendors

Iomega Has A World-Class Distribution Channel

Retail / E-tail

- Sold at over 11,500 stores in the Americas, Europe and Asia
- Integrated into Iomega's online strategy



Direct Marketers

- Direct marketers are a cost effective channel to reach small businesses, medium / large enterprises, government and education



Distributors

- Indirect selling channel for N-HDD, NAS and REV disks
- Iomega reaches over 65,000 VARs worldwide through its distributor network
- Comprehensive channel program with 15,000 registered resellers in the U.S. and Europe



Iomega.com

- Approximately 2.5 million unique visitors, and 250,000 software and driver downloads per month
- 2006 sales through the website were approximately \$10 million



Conditions to Closing

- Approvals by both shareholders
- Approvals of relevant antitrust and regulatory agencies
- All government approvals
 - Applicable Hong Kong and PRC Government requirements
 - HSR and other principals
- No material adverse effect of Iomega / ExcelStor stand alone business
- Anticipated to close in approximately 6 months from announcement

Highlights of Transaction

- **Creates a global Consumer Storage and Electronics Company**
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