

IOMEGA CORP  
Form 11-K  
June 28, 2004

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE YEAR ENDED DECEMBER 31, 2003

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from            to

COMMISSION FILE NUMBER 1-12333

**Iomega Retirement and Investment Savings Plan**

(Full title of the plan)

**Iomega Corporation**

(Name of issuer of the securities held in the plan)

**10955 Vista Sorrento Parkway, San Diego, CA 92130**

(Address of principal executive offices)

**(858) 314-7000**

(Registrant's telephone number, including area code)

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EIN: 86-0385884  
Plan Number: 001

**IOMEGA RETIREMENT AND INVESTMENT SAVINGS PLAN**

Financial Statements and Supplemental Schedule  
As of December 31, 2003 and 2002 and for the  
Year Ended December 31, 2003

Together With Reports of  
Independent Registered Public Accounting Firms

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EIN: 86-0385884  
Plan Number: 001

**Report of Independent Registered Public Accounting Firm**

To the Steering Committee and Participants of the  
Iomega Retirement and Investment Savings Plan:

We have audited the accompanying statements of net assets available for benefits of the Iomega Retirement and Investment Savings Plan as of December 31, 2003 and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

For the Transition Period from            to

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We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2003 and the changes in its net assets available for benefits for the year then ended in conformity with accounting principles generally accepted in the United States.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2003, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ BDO Seidman, LLP  
BDO Seidman, LLP

Costa Mesa, California  
June 11, 2004

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EIN: 86-0385884  
Plan Number: 001

### **Report of Ernst & Young LLP, Independent Registered Public Accounting Firm**

To the Steering Committee and Participants of the  
Iomega Retirement and Investment Savings Plan:

We have audited the accompanying statement of net assets available for benefits of the Iomega Retirement and Investment Savings Plan as of December 31, 2002. This financial statement is the responsibility of the Plan's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2002 in conformity with United States generally accepted accounting principles.

/s/ Ernst & Young LLP  
Ernst & Young LLP

San Diego, California  
June 6, 2003

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EIN: 86-0385884  
Plan Number: 001

### **IOMEGA RETIREMENT AND INVESTMENT SAVINGS PLAN**

#### **Index to Financial Statements and Schedule**

Statements of Net Assets Available for Benefits  
as of December 31, 2003 and 2002

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Statement of Changes in Net Assets Available for Benefits  
for the Year Ended December 31, 2003

Notes to Financial Statements

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)  
as of December 31, 2003

Signature

Exhibit Index

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Plan Number: 001

**IOMEGA RETIREMENT AND INVESTMENT SAVINGS PLAN**

**Statements of Net Assets Available for Benefits**

	<b>As of December 31,</b>	
	<b>2003</b>	<b>2002</b>
	-----	-----
<b>Investments, at Fair Value as Determined by Quoted Market Price:</b>		
Contrafund	\$ 13,641,895	\$ 11,000,000
Equity Income II Fund	4,391,898	3,400,000
Magellan Fund	4,343,590	4,500,000
Spartan U.S. Equity Index Portfolio	4,278,247	3,500,000
Retirement Money Market Portfolio	3,398,542	3,000,000
U.S. Bond Index Fund	2,531,411	2,400,000
Export and Multinational Fund	2,113,148	1,300,000
Asset Manager Fund	2,097,974	1,700,000
Oakmark Select Fund	1,702,986	600,000
Fidelity Low Priced Stock Fund	1,620,929	500,000
Diversified International Fund	1,604,814	1,000,000
Ariel Fund	768,071	300,000
Short-Term Bond Portfolio	728,275	1,000,000
Real Estate Investment Portfolio	633,683	500,000
Alger MidCap Growth Institutional Portfolio	480,084	100,000
Iomega Stock Fund:		
Common stock	640,512	1,100,000
Cash	32,817	
U.S. Government Reserves Fund	2,338	
<b>Investments at Estimated Fair Value:</b>		
Managed Income Portfolio	3,028,759	3,300,000
Participant loans	572,658	600,000
	-----	-----
Total investments	48,612,631	40,700,000
	-----	-----
<b>Receivables:</b>		
Participant contributions	78,051	
Employer contributions	59,381	
	-----	-----
Total receivables	137,432	
	-----	-----

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Net assets available for benefits

\$ 48,750,063

\$ 40,7

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The accompanying notes to financial statements are  
an integral part of these statements.

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**IOMEGA RETIREMENT AND INVESTMENT SAVINGS PLAN**

**Statement of Changes in Net Assets Available for Benefits  
For the Year Ended December 31, 2003**

**Additions to Net Assets:**

Cash Contributions:

Employee

\$ 3,1

Employer

1,7

Rollover

1

Total cash contributions

5,0

Investment Income:

Interest and dividends

1,1

Net realized and unrealized appreciation in fair value of investments

8,0

Total investment gain, net

9,1

Total additions, net

14,2

**Reductions in Net Assets:**

Distributions to participants

(6,1

Administrative fees

(

Total reductions

(6,2

Net increase in net assets available for benefits

7,9

Net assets at beginning of year

40,7

Net assets at end of year

\$ 48,7

The accompanying notes to financial statements are  
an integral part of these statements.

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**IOMEGA RETIREMENT AND INVESTMENT SAVINGS PLAN****Notes to Financial Statements****(1) Plan Description****Participation**

Iomega Corporation ( Iomega or the Company ) adopted the Iomega Retirement and Investment Savings Plan (the Plan ) effective July 1, 1985. The Plan was established to provide employees an opportunity to accumulate funds for retirement or disability and to provide death benefits for employees dependents and beneficiaries. Fidelity Management Trust Company ( Fidelity ) serves as trustee of the Plan. Iomega administers the Plan through the use of a steering committee comprised of various members of management with the assistance of an external administrative consultant.

The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan s provisions.

**Eligibility, Contributions and Benefits**

Full-time or part-time employees who have attained 19 years of age are eligible to participate in the Plan on their first day of employment. Each employee is required to make an election to participate in the Plan. At that time, each participant elects both the contribution amount and its allocation to the various investment funds within the Plan. Elected contribution percentages can range from 2 percent to 50 percent of qualifying gross compensation (base compensation and any bonus or profit sharing payments) on a before-tax basis, subject to IRS limitations.

Beginning on April 1, 2002, employer matching contributions consist of a basic match of up to \$750 per participant, an additional basic match of 60 percent of a participant s contributions over \$750 up to 8 percent of eligible earnings and a discretionary performance match with a range from 0 percent to 3 percent of eligible earnings, subject to limits imposed by the IRS. The employer contributions for the basic and additional basic match for 2003 were \$1,721,526. There was no discretionary performance match in 2003. The allocation of employer contributions are directed by the participant based on the employee contribution allocation to the Plan funds. After two years of service, employees become fully vested in all matching contributions. Until the completion of two years of service, employees are not vested in matching contributions.

Benefits are normally paid upon retirement, death, disability or other termination. Upon termination of service, for any reason, participants may elect to roll over or direct transfer into another employer s qualified plan or an IRA, receive payment from their accounts in a lump sum, periodic installments or under certain circumstances, an annuity. Participants with a vested account balance exceeding \$5,000, whose employment with the Company has been terminated, have the option of leaving their money in the Plan. Employee participants may only withdraw funds from the Plan pursuant to specific restrictions set forth in the Plan agreement.

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EIN: 86-0385884  
Plan Number: 001**IOMEGA RETIREMENT AND INVESTMENT SAVINGS PLAN****Notes to Financial Statements (Continued)****Investment Options**

Employees can currently direct their contributions into any of 14 different investment options. The Plan also has four investment options into which no new contributions (either through payroll contributions or through transfers) can be made. These funds are managed by Fidelity. No sales charge is levied on the funds managed by Fidelity; however, an annual fee is charged by Fidelity to cover the operating expenses of each fund including the investment advisory fee. This fee is deducted from the investment return of each fund. A description of these investment options is as follows:

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### Funds Actively Receiving Contributions or Transfers:

**Contrafund** - Seeks capital appreciation by investing in companies that are believed to be undervalued or out of favor.

**Equity Income II Fund** - Seeks a yield exceeding the S&P 500 by investing primarily in income-producing equity securities, considering the potential for capital appreciation.

**Spartan U.S. Equity Index Portfolio** - Seeks the goal of replicating the total return provided by the stocks included in the Standard and Poor's (S&P) 500 by investing in virtually all of the 500 stocks contained in the S&P 500 weighted in the same manner.

**Retirement Money Market Portfolio** - Seeks preservation of capital by investing in high-quality money market instruments of domestic and foreign issuers which are denominated in U.S. dollars.

**Managed Income Portfolio** - Seeks preservation of capital and a competitive level of income over time by investing in high-quality, short and long-term investment contracts issued by insurance companies, banks and other approved financial institutions that provide competitive interest rates.

**U.S. Bond Index Fund** - Seeks to provide investment results that correspond to the aggregate price and interest performance of the debt securities in the Lehman Brothers Aggregate Bond Index.

**Export and Multinational Fund** - Seeks capital appreciation by investing primarily in stocks of U.S. companies that are expected to benefit from exporting or selling goods or services outside the U.S. The fund may also invest in foreign securities.

**Asset Manager Fund** - Seeks high total return with reduced risk over the long term by using a balanced mix of stocks, bonds and short-term instruments.

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### IOMEGA RETIREMENT AND INVESTMENT SAVINGS PLAN

#### Notes to Financial Statements (Continued)

**Oakmark Select Fund** - Seeks capital appreciation by investing primarily in common stocks of U.S. companies selling at a discount as compared with their true underlying value. The fund is non-diversified, which means that it is not limited to a percentage of assets that it may invest in any one issuer. The fund will generally have 15 to 20 securities in its portfolio.

**Fidelity Low Priced Stock Fund** - Seeks capital appreciation by investing at least 80% of its assets in low-priced stocks (those priced at or below \$35 per share), which can lead to investments in small and medium-sized companies.

**Diversified International Fund** - Seeks capital appreciation by investing primarily in stocks of large companies located outside the U.S. that are considered to be undervalued and are included in the Morgan Stanley Capital International Europe, Australia and Far East Indexes.

**Ariel Fund** - Seeks capital appreciation by investing in the common stocks of widely ignored, misunderstood, or under-followed companies that provide quality goods and/or services. The fund targets smaller (small-cap) companies with market capitalizations of \$2 billion or less at the time of investment.

**Alger MidCap Growth Institutional Portfolio** - Seeks long-term capital appreciation by investing primarily in mid-sized companies, which are those that have market capitalizations, at the time of investment, within the range of companies in the S&P MidCap 400 Index.

**Iomega Stock Fund** - Invests only in Iomega Corporation Common Stock. A small amount of the Iomega Stock Fund (approximately 1 to 6 percent) is held in cash to meet the Plan's liquidity needs for making distributions and transfers. Shares of Iomega Corporation Common Stock are bought and sold over-the-counter each pay period based on participants' elections. Voting rights for the Common Stock held in the Iomega Stock Fund are passed through to participants. The market value of the Iomega Stock Fund is determined based

### Funds Actively Receiving Contributions or Transfers:

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on unitized stock accounting.

**Funds No Longer Receiving Contributions or Transfers:**

**Magellan Fund** - Seeks capital appreciation by maintaining a portfolio primarily invested in common stocks and securities convertible into common stocks.

**Short-Term Bond Portfolio** - Seeks high current income consistent with preservation of capital by investing in a broad range of fixed-income securities.

**Real Estate Investment Portfolio** - Seeks to provide an above-average level of income as well as capital growth by investing primarily in stocks of domestic and foreign companies in the real estate industry.

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**IOMEGA RETIREMENT AND INVESTMENT SAVINGS PLAN**

**Notes to Financial Statements (Continued)**

**U.S. Government Reserves Fund** - Seeks as high a level of current income as is consistent with security of principal and liquidity by investing in U.S. Government securities as well as entering into reverse repurchase agreements.

**Participant Loans**

Participant loans consist of promissory notes executed by participants. With the Plan's consent, a participant may borrow from his or her account up to the lesser of \$50,000 or 50 percent of the participant's vested account balance. The outstanding balance of all prior loans under the Plan or any other plan maintained by Iomega or its affiliates reduces the amount available for future loans. Moreover, the \$50,000 limit is reduced by the amount of any loan repayments made during the most recent 12 months. The minimum amount for any loan is \$1,000. As of December 31, 2003, outstanding loans bore interest at rates ranging from 6.75% to 10.5%. Loans must be repaid within five years, except for loans used to acquire a principal residence which must be repaid over a reasonable period of time not to exceed 10 years. All loans, regardless of term, become due and payable when the participant's employment with the Company terminates.

**Termination of the Plan**

Although it has not expressed its intent to do so, Iomega may terminate the Plan at any time subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. In the event the Plan is terminated, participants would become 100% vested.

**(2) Summary of Accounting Policies**

**Basis of Accounting**

The accounting records of the Plan are maintained on the accrual basis in accordance with accounting principles generally accepted in the United States of America. Distributions to participants are recorded when paid.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amount of assets, liabilities, and changes therein and disclosure of contingent assets and liabilities. Actual results could materially differ from those estimates.

**Investment Valuation**

The Plan provides for investments in certain investment securities. These securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of net assets available for benefits.

**IOMEGA RETIREMENT AND INVESTMENT SAVINGS PLAN**

**Notes to Financial Statements (Continued)**

Mutual funds are valued at net asset value as reported by the fund (quoted market prices). Iomega Common Stock Fund shares which are traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Investments in common collective trust funds are stated at estimated fair values, which have been determined based on the unit values of the funds. Unit values are determined by the organization sponsoring such funds by dividing the fund's net assets at fair value by its units outstanding at each valuation date. Participant loans are reported at book value, which approximates fair value.

**Net Appreciation (Depreciation) in Fair Market Value of Investments**

Realized and unrealized appreciation (depreciation) in the fair value of investments is based on the difference between the fair value of the assets at the beginning of the year, or at the time of purchase for assets purchased during the year and the related fair value on the day investments are sold with respect to realized appreciation (depreciation) or on the last day of the year for unrealized appreciation (depreciation).

Purchases and sales of securities are recorded on the trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**Forfeitures**

Non-vested benefits which are forfeited are utilized to reduce the Company contributions to the Plan. During the year ended December 31, 2003, the Company utilized approximately \$44,000 of forfeitures to reduce Company contributions to the Plan. As of December 31, 2003 and 2002, approximately \$284,000 and \$222,000, respectively, of forfeitures, included in the Retirement Money Market Portfolio in the accompanying financial statements, had not yet been utilized by the Company.

**Administrative Expenses**

The Company pays all administrative expenses relating to the investment and management of Plan funds, including legal and accounting fees, except operating expenses of the investment funds which are deducted directly from investment returns by Fidelity (as noted in Investment Options ). Participant maintenance fees related to account balances maintained by former employees are paid for out of these former employees accounts. However, loan origination and loan maintenance fees are deducted from participants' accounts who have taken out loans. These amounts are recorded in administration fees in the accompanying financial statements.

**IOMEGA RETIREMENT AND INVESTMENT SAVINGS PLAN**

**Notes to Financial Statements (Continued)**



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**(3) Investments**

During 2003, the Plan's investments (including investments purchased, sold as well as held during the year) appreciated/(depreciated) in value as follows:

	Net Realized and Unrealized Appreciation (Depreciation) in Fair Value During the Year -----
Common Stock	\$ (70,915)
Mutual funds	8,097,203
	-----
	\$ 8,026,288
	=====

The following table presents the fair values of investments. Investments that represent 5% or more of the Plan's net assets are separately identified.

	As of December ----- 2003 -----
<b>Investments, at Fair Value as Determined by Quoted Market Price:</b>	
Contrafund	\$ 13,641,895
Equity Income II Fund	4,391,898
Magellan Fund	4,343,590
Spartan U.S. Equity Index Portfolio	4,278,247
Retirement Money Market Portfolio	3,398,542
U.S. Bond Index Fund	2,531,411
Other Mutual Funds	11,752,302
Iomega Stock Fund	673,329
	-----
	45,011,214
	-----
<b>Investments at Estimated Fair Value:</b>	
Managed Income Portfolio	3,028,759
Participant loans	572,658
	-----
Total Investments	\$ 48,612,631
	=====

**IOMEGA RETIREMENT AND INVESTMENT SAVINGS PLAN**

**Notes to Financial Statements (Continued)**

**(4) Tax Status**

The Plan is subject to ERISA and certain provisions of the Internal Revenue Code ( IRC ). The Plan is intended to qualify under Section 401(a) of the IRC. The IRS issued a favorable determination letter dated February 13, 2001, ruling that the Plan was designed in accordance with applicable IRC requirements as of that date. Subsequent to the issuance of the determination letter, the Plan was amended. Once qualified, the

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Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan's steering committee and legal counsel believe that the Plan, as amended, is qualified and continues to be designed and operated in accordance with applicable IRC requirements.

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**IOMEGA RETIREMENT AND INVESTMENT SAVINGS PLAN**

**Form 5500 - Schedule H, Line 4i Schedule of Assets (Held at End of Year) As of December 31, 2003**

(a)	<i>(b) Identity of Issuer, Borrower, Lessor or Similar Party</i>	<i>(c) Description of Investment</i>
*	Fidelity Contrafund	276,432 shares of mutual fund
*	Fidelity Equity Income II Fund	192,796 shares of mutual fund
*	Fidelity Magellan Fund	44,440 shares of mutual fund
	Spartan U.S. Equity Index Portfolio	108,557 shares of mutual fund
*	Fidelity Retirement Money Market Portfolio	3,398,542 shares of money market fund
*	Fidelity Managed Income Portfolio	3,028,759 shares of common collective trust
*	Fidelity U.S. Bond Index Fund	226,221 shares of mutual fund
*	Fidelity Export and Multinational Fund	116,363 shares of mutual fund
*	Fidelity Asset Manager Fund	133,120 shares of mutual fund
	Oakmark Select Fund	55,617 shares of mutual fund
*	Fidelity Low Priced Stock Fund	46,339 shares of mutual fund
*	Fidelity Diversified International Fund	66,535 shares of mutual fund
	Ariel Fund	17,023 shares of mutual fund
*	Fidelity Short-Term Bond Portfolio	80,561 shares of mutual fund
*	Fidelity Real Estate Investment Portfolio	26,726 shares of mutual fund
	Alger MidCap Growth Institutional Portfolio	31,419 shares of mutual fund
*	Fidelity U.S. Government Reserves Fund	2,338 shares of mutual fund
*	Iomega Corporation Common Stock	107,109 shares of common stock
*	Iomega Stock Fund - Cash account	32,817 units of cash
	Participant loans	Interest rates ranging from 6.75% to 10.5%

\* Denotes party-in-interest.

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\*\* Represents 5% or more of the fair value of net assets available for Plan participation

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**IOMEGA RETIREMENT AND INVESTMENT SAVINGS PLAN**

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

**IOMEGA RETIREMENT AND INVESTMENT SAVINGS PLAN**

(Name of Plan)

Dated: 06/28/04

/s/ Anna L. Aguirre

Anna L. Aguirre  
Vice President, Human Resources  
and Facilities

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Plan Number: 001

**EXHIBIT INDEX**

The following exhibits are filed as part of this Annual Report on Form 11-K:

<b>Exhibit Number</b>	<b>Description</b>
<u>23.1</u>	Consent of Independent Registered Public Accounting Firm - BDO Seidman, LLP
<u>23.2</u>	Consent of Independent Registered Public Accounting Firm - Ernst & Young LLP

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