

MAXTOR(R) CORPORATION REPORTS STRONG FINANCIAL RESULTS
FOR THE FOURTH QUARTER OF 2000

CONSISTENT STRONG EXECUTION RESULTED IN PROFITS FOR
THE FOURTH QUARTER AND FISCAL YEAR

MILPITAS, CALIF., JANUARY 24, 2001 -- Maxtor Corporation (NASDAQ: MXTR) today announced strong financial results for the fourth quarter ended December 30, 2000. Revenue for the quarter was \$727.2 million, 5% above revenue of \$690.6 million in the fourth quarter of 1999. The company reported net income of \$5.0 million in the fourth quarter of 2000 compared with \$4.0 million in the fourth quarter of 1999. Diluted earnings per share were \$0.04 for the fourth quarter of 2000 compared with \$0.03 for the same quarter in 1999. Included in the recent fourth quarter results was a pre-tax charge of \$7.7 million, representing the settlement of a legal dispute that has been resolved pending final Court approval in February. Excluding this charge, net income in the fourth quarter would have been \$12.1 million and diluted earnings per share would have been \$0.10.

Revenue for 2000 was \$2.7 billion compared with \$2.5 billion in 1999. Net income was \$31.8 million, or \$0.27 per share, in 2000, compared with a net loss of \$50.1 million, or \$(0.48) per share, in 1999.

"This was an outstanding quarter for Maxtor," said Mike Cannon, president and CEO. "During the fourth quarter, we shipped 7.4 million drives and generated a gross profit margin of 14.5%. Inventory turns improved to 23.3 compared with 21.6 in the third quarter, and we increased cash and marketable securities by \$25 million to \$376 million at year-end compared with \$351 million at the end of September 2000."

"The strength of the quarter and the year was the result of Maxtor's continued focus on consistent execution and our ability to quickly respond to changing market conditions. We were able to rapidly ramp up production of new products, especially the 20 GB per disk

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configuration; we managed the supply chain effectively; and we were able to meet customer requirements while improving asset utilization."

"We continued to make progress with our network attached storage business. Our MaxAttach line generated \$5.9 million in revenue in the fourth quarter, an increase of 22% from the third quarter. In addition, our recently-introduced 1394 External Storage solution, which allows users up to 80 GB of additional storage for video editing, MP3 downloads, digital photos and games, saw good consumer acceptance in the quarter."

"We are working closely with Quantum to complete the proposed merger of Quantum's Hard Disk Drive Group with Maxtor. In December, we cleared the Hart-Scott-Rodino regulatory requirement and received European Union approval for the combination to proceed. Once the SEC has declared the final registration statement effective, we will send a joint proxy statement out to shareholders of Maxtor and Quantum and schedule a shareholder meeting. We continue to anticipate a closing in late March or April, pending stockholder approvals," concluded Mr. Cannon.

ABOUT MAXTOR

Maxtor Corporation is a leading supplier of information storage solutions. The company's current hard disk drive products include the award-winning DiamondMax(TM) and DiamondMax Plus line of products for mainstream and high performance personal computers and consumer electronics applications, as well as the DiamondMax VL line for entry-level PCs. Maxtor also offers a new 1394 External Storage(TM) solution and the MaxAttach(TM) family of network attached storage servers.

Maxtor's leadership position has been built by consistently providing leading products, and by delivering high levels of quality and support for its customers. More information about Maxtor and its products can be found at www.maxtor.com or by calling toll-free (800) 2-MAXTOR. Maxtor is traded on Nasdaq under the MXTR symbol.

This release contains forward-looking statements concerning the hard disk drive and network attached storage industries, Maxtor's execution, and the consummation of the combination with Quantum's Hard Disk Drive Group. These statements are based on current

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expectations and are subject to risks and uncertainties which could materially affect the company's results, including, but not limited to, market demand for hard disk drives and server appliances, market acceptance of the company's products, the company's ability to execute future production ramps and utilize manufacturing assets efficiently, changes in product and customer mix, pricing trends, and actions by competitors. Risks regarding the consummation of the combination with Quantum HDD include receipt of stockholder approval and satisfaction of customary closing documents, the inability to successfully integrate the businesses of Quantum's HDD operations and Maxtor, costs related to the merger, and labor integration issues. These and other risk factors are contained in periodic reports filed with the SEC, including, but not limited to, the Form 10-K for fiscal 1999, recent 10-Qs and the registration statement on Form S-4 related to the combination with Quantum HDD. Maxtor is under no obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

In connection with the proposed transaction, Maxtor has filed a registration statement on Form S-4 and Quantum has filed a proxy statement-prospectus, each with the Securities and Exchange Commission. INVESTORS AND SECURITY HOLDERS ARE ADVISED TO READ THE REGISTRATION STATEMENT AND THE PROXY STATEMENT-PROSPECTUS BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER. Investors and security holders may obtain a free copy of the registration statement and the proxy statement-prospectus and other documents filed by Quantum and Maxtor with the Securities and Exchange Commission at the Securities and Exchange Commission's web site at <http://www.sec.gov>. Free copies of the registration statement and other documents filed by Maxtor with the Securities and Exchange Commission may also be obtained from Maxtor by directing a request to Maxtor, Attention: Jenifer Kirtland, 408-432-4270. Free copies of the proxy statement-prospectus and other documents filed by Quantum with the Securities and Exchange Commission may also be obtained from Quantum by directing a request to Quantum, Attention: Chris Golson, 408-894-5590.

CONFERENCE CALL

Maxtor has scheduled a conference call for financial analysts and investors today, Wednesday, January 24, 2001 at 2:30 p.m. PST to discuss the fourth quarter results and an outlook on financial results going forward. The dial-in number for the live call is (800) 482-5567. The call will be webcast on the company's site at www.maxtor.com. There will be a replay available shortly following the call through January 31, 2001. The dial-in number for the replay is (800) 696-1558, access code 897329.

CONTACT:

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MAXTOR CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

<TABLE>

<CAPTION>

	December 30, 2000 ----- (Unaudited)	January 1, 2000 -----
ASSETS		
<S>	<C>	<C>
Current assets:		
Cash and marketable securities	\$ 376,177	\$353,922
Accounts receivable, net	284,654	231,616
Inventories, net	106,405	103,854
Prepaid expenses and other	34,577	12,338
	-----	-----
Total current assets	801,813	701,730

Property, plant and equipment, net	165,926	132,089
Goodwill and other intangible assets, net	44,237	55,107
Other assets	13,679	17,409
	-----	-----
Total assets	\$1,025,655	\$906,335
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Short-term borrowings, including current portion of long-term debt	\$ 15,432	\$ 5,000
Accounts payable	421,338	404,874
Accrued and other liabilities	191,277	127,321
	-----	-----
Total current liabilities	628,047	537,195
Long-term debt	92,259	113,770
	-----	-----
Total liabilities	720,306	650,965
Total stockholders' equity	305,349	255,370
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Total liabilities and stockholders' equity ..	\$1,025,655	\$906,335
	=====	=====

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MAXTOR CORPORATION CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (In thousands except share and per share amounts)

ended ----- January 1, 2000 ----- (Unaudited) <S> Total revenue 2,486,123 Total cost of revenue 2,287,316 ----- Gross profit 198,807 Operating expenses: Research and development 191,511 Selling, general and administrative 91,711 Acquired in-process technology 7,028 Amortization of goodwill and intangible assets 3,118 ----- Total operating expenses 293,368 ----- Income from operations (94,561) Interest expense (13,723) Interest and other income 15,592	Three months ended		Twelve months	
	December 30, 2000 ----- (Unaudited) <C> \$	January 1, 2000 ----- (Unaudited) <C> \$	December 30, 2000 ----- (Unaudited) <C> \$	
	727,185	690,624	2,704,859	\$
	621,753	608,401	2,328,345	
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	105,432	82,223	376,514	
	63,573	49,614	235,006	
	35,265	26,483	110,507	
	--	--	--	
	2,346	2,520	9,906	
	-----	-----	-----	----
	101,184	78,617	355,419	
	-----	-----	-----	----
	4,248	3,606	21,095	
	(3,326)	(3,753)	(13,731)	
	4,346	4,049	26,111	

Gain on sale of investment	--	--	--	
44,085				
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Income (Loss) before income taxes	5,268	3,902	33,475	
(48,607)				
Provision for income taxes	263	(91)	1,673	
1,541				
-----	-----	-----	-----	----
Net Income (Loss)	\$ 5,005	\$ 3,993	\$ 31,802	\$
(50,148)				
=====	=====	=====	=====	
Net income (Loss) per share - basic	\$ 0.04	\$ 0.04	\$ 0.28	\$
(0.48)				
Net income (Loss) per share - diluted	\$ 0.04	\$ 0.03	\$ 0.27	\$
(0.48)				
Shares used in per share calculation				
-basic	116,179,938	113,341,080	115,225,179	
105,503,281				
-diluted	119,038,276	115,237,590	119,115,982	
105,503,281				

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