

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE TO

(Rule 14d-100)

TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934

QUANTUM CORPORATION

(Name of Subject Company (Issuer))

QUANTUM CORPORATION (Issuer)

(Name of Filing Person (Identifying Status as Offeror, Issuer or Other Person))

4.375% Convertible Subordinated Notes Due 2010

(Title of Class of Securities)

747906 AD 7

747906 AE 5

(CUSIP Numbers of Class of Securities)

Shawn Hall

Vice President, General Counsel and Secretary

1650 Technology Drive, Suite 800

San Jose, California 95110

(408) 944-4000

(Name, address and telephone numbers of person authorized to receive notices
and communications on behalf of Filing Persons)

Copy to:

Greg Rodgers, Esq.

Latham & Watkins LLP

885 Third Avenue

New York, New York 10022

Phone: (212) 906-1200

Fax: (212) 751-4864

CALCULATION OF FILING FEE

| Transaction Valuation* | Amount of Filing Fee** |
|------------------------|------------------------|
| \$99,400,000.00 | \$5,546.52 |

* Determined pursuant to Rule 0-11(b)(1) of the Securities Exchange Act of 1934. Based upon the maximum amount of cash that might be paid for the 4.375% Convertible Subordinated Notes Due 2010 (the "Notes") assuming that \$142,000,000 aggregate principal amount of outstanding Notes are purchased at a price of \$700 per \$1,000 principal amount.

** The amount of the filing fee equals \$55.80 per \$1,000,000 of the value of the transaction.

Check the box if any part of the filing fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:
Form or Registration No.:

Not Applicable
Not Applicable

Filing Party:
Date Filed:

Not Applicable
Not Applicable

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transaction to which the statement relates:

third-party tender offer subject to Rule 14d-1.

issuer tender offer subject to Rule 13e-4.

going-private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

INTRODUCTORY STATEMENT

This Tender Offer Statement on Schedule TO is being filed with the United States Securities and Exchange Commission (the “SEC”) by Quantum Corporation (“Quantum” or the “Company”), a Delaware corporation, in connection with Quantum’s offer to purchase for cash, on the terms and subject to the conditions set forth in the attached Offer to Purchase, dated March 27, 2009 (the “Offer to Purchase”), and Letter of Transmittal, dated March 27, 2009 (the “Letter of Transmittal” and, together with the Offer to Purchase, the “Offer”), up to \$142 million in aggregate principal amount of Quantum’s outstanding 4.375% Convertible Subordinated Notes Due 2010 (the “Notes”). The Offer to Purchase is attached to this Schedule TO as Exhibit (a)(1)(A). Pursuant to General Instruction F to Schedule TO, information contained in the Offer to Purchase is hereby incorporated by reference in the answers to items of this Schedule TO.

This Schedule TO and the Offer to Purchase are intended to satisfy the filing and disclosure requirements of Rules 13e-4(c)(2) and 13e-4(d)(1) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Item 1. Summary Term Sheet.

The information set forth in the Offer to Purchase under the title “Summary of the Offer” is incorporated herein by reference.

Item 2. Subject Company Information.

(a) *Name and Address.* The name of the issuer is Quantum Corporation, a Delaware corporation. The address of its principal executive offices is 1650 Technology Drive, Suite 800, San Jose, California 95110 and its telephone number is (408) 944-4000.

(b) *Securities.* The subject class of securities subject to the Offer to Purchase is Quantum’s 4.375% Convertible Subordinated Notes Due 2010. As of March 27, 2009, there was \$160 million aggregate principal amount of Notes outstanding, which are convertible into shares of the Company’s common stock, \$0.01 par value per share.

(c) *Trading Market and Price.* The Notes are not listed on any national securities exchange. The Notes are eligible for trading on The PORTAL Market of The NASDAQ Stock Market, Inc. However, there is no established public reporting or trading system for the Notes and trading in the Notes has been limited. The information with respect to our common stock set forth in the section titled “Trading Market for the Notes and Common Stock” of the Offer to Purchase is incorporated herein by reference.

Item 3. Identity and Background of Filing Person.

(a) *Name and Address.* This is an issuer tender offer. Quantum Corporation is the filing person. The information set forth in Item 2(a) above and the section titled “The Company” of the Offer to Purchase is incorporated herein by reference. Pursuant to General Instruction C to Schedule TO, the following persons are the executive officers and/or directors of Quantum:

| <u>Name</u> | <u>Title</u> |
|----------------------|--|
| Paul R. Auvil III | Director |
| Barbara L. Barrett | Vice President, Human Resources |
| Richard E. Belluzzo | Director, Chairman and Chief Executive Officer |
| William C. Britts | Executive Vice President, Sales, Marketing and Service |
| Michael A. Brown | Director |
| Thomas S. Buchsbaum | Director |
| Edward M. Esber, Jr. | Director |
| Jon W. Gacek | Executive Vice President and Chief Financial Officer |
| Shawn D. Hall | Vice President, General Counsel and Secretary |
| Gerald G. Lopatin | Senior Vice President, Engineering |
| Joseph A. Marengi | Director |
| Bruce A. Pasternack | Director |
| Dennis P. Wolf | Director |

The business address and telephone number for all of the above directors and executive officers are c/o Quantum Corporation, 1650 Technology Drive, Suite 800, San Jose, California, tel. (408) 944-4000.

Item 4. Terms of the Transaction.

(a) *Material Terms.*

(1) *Tender Offers.*

(i)-(iii), (v)-(ix), (xii) The information set forth in the sections titled “Summary of the Offer,” “Purpose of the Offer,” “Source and Amount of Funds,” “Terms of the Offer,” “Certain Significant Considerations,” and “Certain United States Federal Income Tax Consequences” of the Offer to Purchase are incorporated herein by reference.

(iv), (x), (xi) Not applicable.

(2) *Mergers or Similar Transactions.* Not applicable.

(b) *Purchases.* To the best knowledge of the Company, it will not purchase any Notes from any of its officers, directors or affiliates.

Item 5. Past Contracts, Transactions, Negotiations and Agreements.

(a) *Agreements Involving the Subject Company’s Securities.*

The Company has entered into the following agreements in connection with its common stock, \$0.01 par value per share:

(1) Stockholder Agreement, dated as of October 28, 2002. Previously filed as Exhibit 4.2 to the Company’s Quarterly Report on Form 10-Q (File No. 001-13449) filed on November 13, 2002, and incorporated herein by reference.

(2) Amended and Restated 1993 Long-Term Incentive Plan effective November 10, 2007. Previously filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K (File No. 001-13449) filed on November 15, 2007, and incorporated herein by reference.

(3) 1993 Long-Term Incentive Plan Form of Restricted Stock Unit Agreement. Previously filed as Exhibit 10.3 to the Company's Current Report on Form 8-K (File No. 001-13449) filed on March 3, 2006, and incorporated herein by reference.

(4) 1993 Long-Term Incentive Plan Form of Stock Option Agreement. Previously filed as Exhibit 99(d)(5) to the Company's Schedule TO (File No. 005-35818) filed on June 4, 2001, and incorporated herein by reference.

(5) Amended and Restated Non-Employee Director Equity Incentive Plan effective November 10, 2007. Previously filed as Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-13449) filed on November 15, 2007, and incorporated herein by reference.

(6) Form of Director Grant Agreement under the Amended and Restated Non-Employee Director Equity Incentive Plan effective November 10, 2007. Previously filed as Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-13449) filed on August 23, 2007, and incorporated herein by reference.

(7) Amended Employee Stock Purchase Plan. Previously filed as Exhibit 10.3 to the Company's Current Report on Form 8-K (File No. 001-13449) filed on August 23, 2007, and incorporated herein by reference.

(8) Stock Purchase Agreement, dated as of July 1, 2007. Previously filed as Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q (File No. 001-13449) filed on August 9, 2007, and incorporated herein by reference.

The Company has entered into the following agreements in connection with the Notes:

(1) Indenture, dated as of July 30, 2003, between the Company and U.S. Bank National Association. Previously filed as Exhibit 4.1 to the Company's Registration Statement on Form S-3 (File No. 333-109587) filed on October 9, 2003, and incorporated herein by reference.

Item 6. Purposes of the Transaction and Plans or Proposals.

(a) *Purposes.* The section of the Offer to Purchase titled "Purpose of the Offer" is incorporated herein by reference.

(b) *Use of Securities Acquired.* The Notes acquired pursuant to the Offer will be cancelled.

(c) *Plans.*

- (1) None.
- (2) None.
- (3) The section of the Offer to Purchase titled “Summary of the Offer,” “Purpose of the Offer,” and “Source and Amount of Funds” are hereby incorporated by reference.
- (4) None.
- (5) None.
- (6) None.
- (7) None.
- (8) None.
- (9) None.
- (10) None.

Item 7. Source and Amount of Funds or Other Consideration.

(a) *Source of Funds.* The section of the Offer to Purchase titled “Source and Amount of Funds” is incorporated herein by reference.

(b) *Conditions.* The sections of the Offer to Purchase titled “Source and Amount of Funds” and “Terms of the Offer—Conditions to the Offer” are incorporated herein by reference.

(d) *Borrowed Funds.*

- (1) and (2) The section of the Offer to Purchase titled “Source and Amount of Funds” are incorporated herein by reference.

Item 8. Interest in Securities of the Subject Company.

(a) *Securities Ownership.* To the best knowledge of the Company, no Notes are beneficially owned by any person whose ownership would be required to be disclosed by this item.

(b) *Securities Transactions.* Not applicable.

Item 9. Persons/Assets, Retained, Employed, Compensated or Used.

(a) *Solicitations or Recommendations.* The section of the Offer to Purchase titled “The Dealer Manager, Depository and Information Agent” is incorporated herein by reference.

Item 10. Financial Statements.

(a) *Financial Information.*

- (1) The audited Consolidated Financial Statements of the Company included in the Company’s annual report filed with the SEC on June 27, 2008 are incorporated herein by reference.
- (2) The unaudited Consolidated Financial Statements of the Company included in the Company’s quarterly report filed with the SEC on February 9, 2009 are incorporated herein by reference.

- (3) The statement regarding computation of earnings to fixed charges, previously filed as Exhibit 12.1 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2008, filed with the SEC on June 13, 2008, is incorporated herein by reference.
- (4) The book value per share of the Company's common stock as of December 31, 2008 was \$(0.52).

(b) *Pro Forma Information.* Not applicable.

Item 11. Additional Information.

(a) *Agreements, Regulatory Requirements and Legal Proceedings.*

- (1) None.
- (2) None.
- (3) None.
- (4) None.
- (5) None.

(b) *Other Material Information.* The information contained in the Offer to Purchase and the Registration Statement is hereby incorporated by reference.

Item 12. Exhibits.

| Exhibit Number | Description of Document |
|-------------------|--|
| (a)(1)(A)* | Offer to Purchase, dated March 27, 2009. |
| (a)(1)(B)* | Form of Letter of Transmittal. |
| (a)(1)(C)* | IRS Form W-9. |
| (a)(5)(B) | Press Release Regarding Offer, dated March 27, 2009 (incorporated by reference to exhibit 99.1 to our Current Report on Form 8-K, filed March 27, 2009). |
| (b)(1)* | Commitment letter, dated as of March 27, 2009, between Quantum Corporation and EMC International Company |
| (d)(1) | Indenture, dated as of July 30, 2003, between Quantum Corporation and U.S. Bank National Association relating to the 4.375% Convertible Subordinated Notes due 2010 (incorporated by reference to exhibit 4.1 to our Registration Statement on Form S-3 (File No. 333-109587) filed on October 9, 2003). |
| (d)(2) | Stockholder Agreement, dated as of October 28, 2002 (incorporated by reference to exhibit 4.2 to our Quarterly Report on Form 10-Q, filed on November 13, 2002). |
| (d)(3) | Amended and Restated 1993 Long-Term Incentive Plan effective November 10, 2007 (incorporated by reference to exhibit 10.1 to our Current Report on Form 8-K, filed on November 15, 2007). |
| (d)(4) | 1993 Long-Term Incentive Plan Form of Restricted Stock Unit Agreement (incorporated by reference to exhibit 10.3 to our Current Report on Form 8-K, filed on March 3, 2006). |
| (d)(5) | 1993 Long-Term Incentive Plan Form of Stock Option Agreement (incorporated by reference to exhibit 99(d)(5) to our Schedule TO, filed on June 4, 2001). |
| (d)(6) | Amended and Restated Non-Employee Director Equity Incentive Plan effective November 10, 2007 (incorporated by reference to exhibit 10.2 to our Current Report on Form 8-K, filed on November 15, 2007). |

| <u>Exhibit Number</u> | <u>Description of Document</u> |
|-----------------------|--|
| (d)(7) | Form of Director Grant Agreement under the Amended and Restated Non-Employee Director Equity Incentive Plan effective November 10, 2007 (incorporated by reference to exhibit 10.2 to our Current Report on Form 8-K, filed on August 23, 2007). |
| (d)(8) | Amended Employee Stock Purchase Plan (incorporated by reference to exhibit 10.3 to our Current Report on Form 8-K, filed on August 23, 2007). |
| (d)(9) | Stock Purchase Agreement, dated as of July 1, 2007 (incorporated by reference to exhibit 10.7 to our Quarterly Report on Form 10-Q, filed on August 9, 2007). |
| (g) | Not Applicable. |
| (h) | Not Applicable. |

* Filed herewith.

Item 13. Information Required by Schedule 13E-3.

Not applicable.

INDEX TO EXHIBITS

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| (b)(1)* | Commitment letter, dated as of March 27, 2009, between Quantum Corporation and EMC International Company |
| (d)(1) | Indenture, dated as of July 30, 2003, between Quantum Corporation and U.S. Bank National Association relating to the 4.375% Convertible Subordinated Notes due 2010 (incorporated by reference to exhibit 4.1 to our Registration Statement on Form S-3 (File No. 333-109587) filed on October 9, 2003). |
| (d)(2) | Stockholder Agreement, dated as of October 28, 2002 (incorporated by reference to exhibit 4.2 to our Quarterly Report on Form 10-Q, filed on November 13, 2002). |
| (d)(3) | Amended and Restated 1993 Long-Term Incentive Plan effective November 10, 2007 (incorporated by reference to exhibit 10.1 to our Current Report on Form 8-K, filed on November 15, 2007). |
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| (d)(5) | 1993 Long-Term Incentive Plan Form of Stock Option Agreement (incorporated by reference to exhibit 99(d)(5) to our Schedule TO, filed on June 4, 2001). |
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| (d)(9) | Stock Purchase Agreement, dated as of July 1, 2007 (incorporated by reference to exhibit 10.7 to our Quarterly Report on Form 10-Q, filed on August 9, 2007). |

* Filed herewith.

OFFER TO PURCHASE

Quantum

**Offer to Purchase for Cash
up to \$142 million of the outstanding
4.375% Convertible Subordinated Notes Due 2010
(CUSIP Nos. 747906 AD 7 and 747906 AE 5)
of Quantum Corporation**

Quantum Corporation, a Delaware corporation, is offering to purchase for cash, on the terms and subject to the conditions set forth in this Offer to Purchase (as it may be amended or supplemented from time to time, this “*Offer to Purchase*”) and the accompanying Letter of Transmittal (as it may be amended or supplemented from time to time, the “*Letter of Transmittal*”), up to \$142 million in aggregate principal amount of its outstanding 4.375% Convertible Subordinated Notes Due 2010 (the “*Notes*”) from each registered holder of the Notes (each, a “*Holder*” and, collectively, the “*Holders*”). The offer, on the terms set forth in this Offer to Purchase and the Letter of Transmittal, and any amendments or supplements hereto or thereto, is referred to as the “*Offer*.”

Subject to the terms and conditions of the Offer, Holders who properly tender their Notes at or prior to 5:00 p.m. New York City time on the Expiration Date (as defined below), will receive \$700 for each \$1,000 principal amount of Notes purchased pursuant to the Offer, plus accrued and unpaid interest up to, but not including, the date of payment for the Notes accepted for payment.

This Offer to Purchase and the accompanying Letter of Transmittal contain or incorporate by reference important information that should be read before any decision is made with respect to the Offer. See the section titled “Incorporation of Documents by Reference.”

As of March 27, 2009, there was \$160 million aggregate principal amount of Notes outstanding, which are convertible into shares of the Company’s common stock, \$0.01 par value per share, at a conversion rate (subject to adjustment) of 229.8851 shares of common stock per \$1,000 in principal amount of Notes. This represents a conversion price per share of \$4.35. The Company’s common stock is listed on The New York Stock Exchange (“*NYSE*”) under the symbol “*QTM*.” On March 26, 2009, the closing price of the Company’s common stock, as reported on NYSE was \$0.40 per share.

THE OFFER AND YOUR WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME ON MAY 12, 2009, UNLESS EXTENDED (SUCH DATE AND TIME, AS IT MAY BE EXTENDED, THE “*EXPIRATION DATE*”). YOUR ACCEPTANCE OF THE OFFER MAY ONLY BE WITHDRAWN UNDER THE CIRCUMSTANCES DESCRIBED IN THIS OFFER TO PURCHASE AND IN THE LETTER OF TRANSMITTAL.

THE OFFER IS CONDITIONED UPON THE VALID TENDER (WITHOUT SUBSEQUENT WITHDRAWAL) OF NO LESS THAN \$135 MILLION IN AGGREGATE PRINCIPAL AMOUNT OF NOTES (THE “*MINIMUM TENDER CONDITION*”) AND THE SATISFACTION OF CERTAIN OTHER CONDITIONS, INCLUDING THE COMPANY OBTAINING SUFFICIENT FINANCING FOR THE REPURCHASE OF THE NOTES. SEE THE SECTION TITLED “TERMS OF THE OFFER—CONDITIONS TO THE OFFER.”

NONE OF THE COMPANY, THE DEALER MANAGER, THE DEPOSITARY, THE INFORMATION AGENT OR THE TRUSTEE MAKES ANY RECOMMENDATION AS TO WHETHER OR NOT HOLDERS SHOULD TENDER ANY OR ALL OF THEIR NOTES.

Questions and requests for assistance may be directed to Credit Suisse Securities (USA) LLC (the “*Dealer Manager*”) or Global Bondholder Services Corporation (the “*Information Agent*”). Requests for additional copies of this Offer to Purchase or the Letter of Transmittal should be directed to the Information Agent.

The Dealer Manager for the Offer is:

Credit Suisse

The date of this Offer to Purchase is March 27, 2009

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THE OFFER IS NOT BEING MADE TO, NOR WILL NOTES BE ACCEPTED FOR PURCHASE FROM OR ON BEHALF OF, HOLDERS IN ANY JURISDICTION IN WHICH THE MAKING OR ACCEPTANCE OF THE OFFER WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION.

IMPORTANT

No person has been authorized to give any information or to make any representations in connection with the Offer other than those contained in this Offer to Purchase, and, if given or made, such information or representations should not be relied upon as having been authorized by Quantum, the Dealer Manager, the Depositary, the Information Agent or the Trustee. This Offer to Purchase and the related documents do not constitute an offer to buy or solicitation of an offer to sell Notes in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, “Blue Sky” or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of Quantum by one or more registered brokers or dealers licensed under the laws of such jurisdiction. Neither the delivery of this Offer to Purchase and related documents nor any purchase of Notes will, under any circumstances, create any implication that the information contained in this Offer to Purchase or such other documents is current as of any time after the date of such document. None of the Company or its Board of Directors or employees, the Dealer Manager, the Depositary, the Information Agent or the Trustee is making any representation or recommendation to any Holder as to whether or not to tender such Holder’s Notes. You should consult your own financial and tax advisors and must make your own decision as to whether to tender your Notes for repurchase and, if so, the amount of Notes to tender.

We and our affiliates, including our executive officers and directors, will be prohibited by Rule 13e-4 under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), from repurchasing any of the Notes outside of the Offer until at least the tenth business day after the expiration or termination of the Offer. Following that time, we expressly reserve the absolute right, in our sole discretion from time to time in the future, to purchase any of the Notes, whether or not any Notes are purchased pursuant to the Offer, through open market purchases, privately negotiated transactions, tender offers, exchange offers or otherwise, upon such terms and at such prices as we may determine, which may be more or less than the price to be paid pursuant to the Offer and could be for cash or other consideration. We can not assure you as to which, if any, of these alternatives, or combinations thereof, we will pursue.

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The CUSIP numbers referenced in this Offer to Purchase have been assigned by Standard & Poor's Corporation and are included solely for the convenience of the Holders. None of Quantum, the Dealer Manager, the Depositary, the Information Agent or the Trustee is responsible for the selection or use of the above CUSIP numbers, and no representation is made as to their correctness on the Notes or as indicated in this Offer to Purchase, the Letter of Transmittal or any other document.

FORWARD-LOOKING STATEMENTS

This Offer to Purchase and the documents that we incorporate by reference contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements usually contain the words "will," "estimate," "anticipate," "expect," "believe" or similar expressions and variations or negatives of these words. All such forward-looking statements including, but not limited to, (1) our goals for future operating performance, including our expectations regarding our performance for the fourth quarter of fiscal 2009; (2) our expectations regarding our ongoing efforts to reduce our cost structure; (3) our expectations regarding the amounts and timing of any future restructuring charges, including cost-savings resulting therefrom; (4) our expectation that we will continue to derive a substantial majority of our revenue from products based on our tape technology; (5) our expectations relating to growing our disk-based backup, software and services businesses; (6) our research and development plans and focuses; (7) our belief that our existing cash and capital resources will be sufficient for the next 12 months; (8) our expectations about the timing and maximum amounts of our future contractual payment obligations; (9) our goals and expectations with respect to our compliance with the NYSE's continued listing standards; (10) our belief that our ultimate liability in any infringement claims made by any third parties against us will not be material to us; (11) our belief regarding our remaining tax liability under the Tax Sharing and Indemnity Agreement with Maxtor; (12) our business objectives, key focuses, opportunities and prospects are inherently uncertain as they are based on management's expectations and assumptions concerning future events, and they are subject to numerous known and unknown risks and uncertainties; and (13) our intention to finance the Offer with the EMC Loan (as defined below). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. As a result, our actual results may differ materially from the forward-looking statements contained herein. Factors that could cause actual results to differ materially from those described herein include, but are not limited to, (1) the amount of orders received in future periods; (2) our ability to timely ship our products; (3) the consequences of the continued U.S. and global financial crisis and the accompanying worldwide recession; (4) uncertainty regarding information technology spending and the corresponding uncertainty in the demand for tape drives and tape automation products; (5) our ability to achieve anticipated pricing, cost and gross margin levels, particularly on tape drives, given lower volumes and continuing price and cost pressures; (6) our ability to maintain supplier relationships; (7) the successful execution of our strategy to expand our businesses into new directions; (8) our ability to successfully introduce new products; (9) our ability to achieve and capitalize on changes in market demand; (10) our ability to pay down the principal and interest on our indebtedness; (11) the availability of credit on terms that are beneficial to us, particularly in light of the continuing global credit crisis and worldwide recession; (12) our ability to comply with NYSE continued listing requirements to the satisfaction of the NYSE; (13) any failure of the closing and funding of the EMC Loan; and (14) those factors discussed under "Risk Factors" in our latest Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as applicable, and in our other reports filed with the U.S. Securities and Exchange Commission ("SEC"). Our forward-looking statements are not guarantees of future performance. We disclaim any obligation to update information in any forward-looking statement.

Except for our obligations under Rule 13e-4(c)(3) and Rule 13e-4(e)(3) of the Exchange Act to disclose any material changes in the information previously disclosed to Holders, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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You should read this Offer to Purchase and the documents that we reference in this Offer to Purchase and have filed as exhibits to the Tender Offer Statement on Schedule TO filed with the SEC, of which this Offer to Purchase is a part, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by each of these cautionary statements.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Exchange Act, and file reports, proxy statements and other information with the SEC. You may read and copy our reports, proxy statements and other information filed by us at the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549-1004. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. Our reports, proxy statements and other information filed electronically with the SEC are available to the public over the Internet at the SEC's website at <http://www.sec.gov>.

SUMMARY OF THE OFFER

The following are answers to some of the questions that you, as a Holder, may have about the Offer. We urge you to read carefully the remainder of this Offer to Purchase and the other documents that are incorporated in this document by reference because the information in this summary is not complete. Additional important information is contained in the remainder of this document and the documents incorporated by reference.

INFORMATION ABOUT THE OFFER

WHO IS OFFERING TO PURCHASE THE NOTES?

- Quantum Corporation, a Delaware corporation, is offering to purchase the Notes.

WHAT CLASS OF SECURITIES IS SOUGHT IN THE OFFER?

- We are offering to acquire for cash up to \$142 million in aggregate principal amount of our outstanding 4.375% Convertible Subordinated Notes Due 2010, which we refer to as the “Notes.” We issued the Notes pursuant to the Indenture, dated as of July 30, 2003, between us and U.S. Bank, National Association, as Trustee (the “Indenture”).

WHY IS QUANTUM MAKING THE OFFER?

- We are making the Offer in order to repurchase up to \$142 million in aggregate principal amount of the outstanding Notes. We will deliver the Notes that we repurchase in the Offer to the Trustee for cancellation and those Notes will cease to be outstanding.

HOW MUCH IS QUANTUM OFFERING TO PAY FOR THE NOTES?

- We are offering to pay \$700 in cash, plus accrued and unpaid interest to, but not including, the payment date for each \$1,000 principal amount of Notes. Under no circumstances will any interest be paid or payable because of any delay in the transmission of funds by the Depositary.

WHAT ARE THE SIGNIFICANT CONDITIONS TO THE OFFER?

- The Offer is conditioned upon, among other things, tender, without subsequent valid withdrawal, of no less than \$135 million in aggregate principal amount of Notes. In addition, we may terminate or amend the offer or may postpone the acceptance for payment of, or the purchase of and payment for, Notes tendered upon the occurrence of certain events, including the failure to obtain sufficient financing for the purchase of the Notes, material litigation, government investigations, national crisis or other events adversely affecting our business or the general markets. You should read the section titled “Terms of the Offer—Conditions to the Offer” for more information.

HOW MANY NOTES WILL QUANTUM PURCHASE?

- We will purchase for cash, upon the terms and subject to the conditions of the Offer, up to \$142 million in aggregate principal amount of the Notes that are validly tendered and not properly withdrawn.

HOW WILL QUANTUM FUND THE PURCHASE OF NOTES IN THE OFFER?

- We intend to use the net proceeds from a \$100 million loan expected to be made by EMC International Company (*EMC IC*), a wholly owned subsidiary of EMC Corporation (*EMC*), pursuant to its financing commitment to us entered into on March 27, 2009, to repurchase the Notes accepted for payment pursuant to the Offer. You should read the section titled “Source and Amount of Funds” for more information.

WHAT IS THE MARKET VALUE OF THE NOTES?

- There is no established reporting or trading system for the Notes. We believe that trading in the Notes has been limited. Our common stock is listed on the NYSE under the symbol "QTM." On March 26, 2009, the closing price of our common stock, as reported on the NYSE, was \$0.40 per share.

WHAT IS THE PROCESS FOR TENDERING NOTES?

- There are three ways to tender your Notes, depending upon the manner in which your Notes are held:
 - If your Notes are registered in your name, (a) complete and sign the Letter of Transmittal or a facsimile copy in accordance with the instructions to the Letter of Transmittal, (b) mail or deliver it and any other required documents to the Depository and (c) either deliver the certificates for the tendered Notes to the Depository or transfer your Notes pursuant to the book-entry transfer procedures described in this Offer to Purchase.
 - If your Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, meaning your Notes are owned in "street name," then you must instruct your broker, dealer, commercial bank, trust company or other nominee to tender your Notes.
 - If your Notes are held of record by The Depository Trust Company, or DTC, you may tender them through DTC's Automated Tender Offer Program.

You should read the section titled "Terms of the Offer—Procedure For Tendering Notes" for more information on how to tender your Notes.

WHEN DOES THE OFFER EXPIRE?

- The Offer expires at 5:00 p.m., New York City time, on May 12, 2009, unless we extend the Offer in our sole discretion.

MAY THE OFFER BE EXTENDED, AMENDED OR TERMINATED AND UNDER WHAT CIRCUMSTANCES?

- We may extend the Offer until the conditions to the completion of the Offer described in the section titled "Terms of the Offer—Conditions to the Offer" are satisfied. We may amend the Offer in any respect by giving written notice of such amendment to the Depository.
We may extend or amend the Offer in our sole discretion. If we extend the Offer, we will delay the acceptance of any Notes that have been tendered. We may terminate the Offer under certain circumstances. You should read the section titled "Terms of the Offer— Extension, Waiver, Amendment and Termination" for more information.

HOW WILL HOLDERS OF NOTES BE NOTIFIED IF THE OFFER IS EXTENDED?

- If we extend the Offer, we will notify you as promptly as practicable by a public announcement, which will be issued no later than 9:00 a.m., New York City time, on the first business day after the previously scheduled Expiration Date. Without limiting the manner in which we may choose to make any public announcement, we have no obligation to publish, advertise or otherwise communicate any public announcement other than by issuing a press release to Business Wire. You should read the section titled "Terms of the Offer—Extension, Waiver, Amendment and Termination" for more information. In addition, if we materially change the terms of the Offer or the information concerning the Offer, or if we waive a material condition of the Offer, we will disseminate additional tender offer materials and extend the Offer to the extent required by Rule 13e-4(d)(2) and Rule 13e-4(e)(3) under the Exchange Act.

WHEN WILL HOLDERS RECEIVE PAYMENT FOR TENDERED NOTES?

- You will receive payment for your Notes promptly after the date on which we accept all Notes properly tendered and not validly withdrawn. Under no circumstances will any interest be paid or payable because of any delay in the transmission of funds by the Depository. You should read the section titled “Terms of the Offer—General” for more information.

CAN HOLDERS WITHDRAW TENDERED NOTES?

- You may withdraw your tendered Notes at any time on or before the Offer expires at 5:00 p.m., New York City time, on May 12, 2009 or, if the Offer is extended, the time and date when the extended Offer expires. You may also withdraw your Notes if we have not accepted them for payment by June 12, 2009.

HOW DO HOLDERS WITHDRAW PREVIOUSLY TENDERED NOTES?

- To withdraw your previously tendered Notes, you must deliver a written or facsimile transmission notice of withdrawal, with the required information to the Depository before your right to withdraw has expired. You may not rescind a withdrawal of tendered Notes. However, you may re-tender your Notes by again following the proper tender procedures. You should read the section titled “Terms of the Offer—Withdrawal of Tendered Notes” for more information on how to withdraw previously tendered Notes.

WHAT HAPPENS TO NOTES THAT ARE NOT TENDERED?

- Any Notes that remain outstanding after the completion of the Offer will continue to be our obligations. Holders of those outstanding Notes will continue to have all the rights associated with those Notes. You should read the sections titled “Purpose of the Offer” and “Certain Significant Considerations.”

MAY HOLDERS STILL CONVERT NOTES INTO SHARES OF QUANTUM COMMON STOCK?

- Yes. However, if you tender your Notes in the Offer, you may convert your Notes only if you properly withdraw your Notes before your right to withdraw has expired. The Notes are convertible into shares of the Company’s common stock, \$0.01 par value per share, at a conversion rate (subject to adjustment) of 229.8851 shares of common stock per \$1,000 in principal amount of Notes. This represents a conversion price per share of \$4.35. Our common stock is listed on the NYSE under the symbol “QTM.” On March 26, 2009, the closing price of our common stock, as reported on the NYSE, was \$0.40 per share.

DO HOLDERS HAVE TO PAY A BROKERAGE COMMISSION FOR TENDERING NOTES?

- No brokerage commissions are payable by Holders to the Company, the Dealer Manager, the Trustee, the Depository or the Information Agent in connection with the tender of your Notes in the Offer. Except as set forth in Instruction 7 to the Letter of Transmittal, we will pay any transfer taxes with respect to the transfer and sale of Notes pursuant to the Offer.

WHERE CAN HOLDERS GET MORE INFORMATION REGARDING THE OFFER?

- If you have any questions or requests for assistance or for additional copies of this Offer to Purchase or the Letter of Transmittal, please contact Credit Suisse, the Dealer Manager, at (212) 325-2000, or Global Bondholder Services Corporation, the Information Agent for the Offer, at (212) 430-3774 (for banks and brokers only) or (866) 488-1500 (for all others toll-free). You may also contact us by writing or call us at Quantum Corporation, 1650 Technology Drive, Suite 800, San Jose, California 95110, attention: Investor Relations, telephone: (408) 944-4000. Beneficial owners may also contact their broker, dealer, commercial bank, trust company or other nominee through which they hold their Notes with questions and requests for assistance.

IS QUANTUM MAKING ANY RECOMMENDATION ABOUT THE OFFER?

- Neither we nor the Dealer Manager, the Depositary, the Information Agent or the Trustee makes any recommendation as to whether or not you should tender your Notes pursuant to the Offer. Holders should determine whether or not to tender their Notes pursuant to the Offer based upon, among other things, their own assessment of the current market value of the Notes, liquidity needs and investment objectives.

INFORMATION ABOUT THE NOTES

WHAT IS THE AMOUNT OF CURRENTLY OUTSTANDING NOTES?

- As of March 27, 2009, there was \$160 million aggregate principal amount of Notes outstanding.

WHAT IS THE CONVERSION RATE OF THE NOTES?

- The Notes are convertible into shares of the Company's common stock, \$0.01 par value per share, at a conversion rate (subject to adjustment) of 229.8851 shares of common stock per \$1,000 in principal amount of Notes. This represents a conversion price per share of \$4.35. Our common stock is listed on the NYSE under the symbol "QTM." On March 26, 2009, the closing price of our common stock, as reported on the NYSE, was \$0.40 per share.

DO HOLDERS HAVE ANY RIGHTS TO REQUIRE QUANTUM TO REPURCHASE THE NOTES?

- If we undergo a change of control, Holders have the right to require us to repurchase all or a portion of the Notes at 100% of their principal amount plus any accrued and unpaid interest to the repurchase date. We will repurchase the Notes for cash at a price equal to 100% of the principal amount to be repurchased, plus accrued interest and any additional amounts, if any, to, but excluding, the repurchase date.

In this Offer to Purchase, "Quantum Corporation," "Quantum," "we," "us," "our" and the "Company" refer to Quantum Corporation and its consolidated subsidiaries, unless the context requires otherwise.

THE COMPANY

Quantum Corporation is a leading global storage company specializing in backup, recovery and archive solutions. Combining focused expertise, customer-driven innovation and platform independence, we provide a comprehensive, integrated range of disk, tape and software solutions supported by our sales and service organization. We work closely with a broad network of value-added resellers, original equipment manufacturers (“OEMs”) and other suppliers to meet customers’ evolving data protection needs. Our stock is traded on the NYSE under the symbol “QTM.”

We are dedicated to backup, recovery and archive solutions and strive to provide focused expertise, customer-driven innovation and platform independence that competitors cannot match. We believe our combination of expertise, innovation and platform independence allows us to solve customers’ data protection and retention issues more easily, effectively and securely. In addition, we have the global scale and scope to support our worldwide customer base.

We offer a comprehensive range of solutions in the data storage market providing performance and value to organizations of all sizes. We have a broad portfolio of disk-based backup solutions, tape libraries, autoloaders and tape drives and media. Our data management software provides technology for shared workflow applications and multi-tiered archiving in high-performance, large-scale storage environments. We also feature software options with products that provide disk and tape integration capabilities with our core deduplication and replication technologies. In addition, our service plan includes a broad range of coverage options to provide the level of support for a wide range of information technology environments, with service available in more than 100 countries.

We earn our revenue from the sale of products, systems and services through an array of channel partners to reach end user customers, which range in size from small businesses and satellite offices to government agencies and large, multinational corporations. Our products are sold under the Quantum brand name and under the names of various OEM customers.

Quantum Corporation was founded in 1980. Our principal offices are located at 1650 Technology Drive, Suite 800, San Jose, California 95110, and our telephone number at that location is (408) 944-4000. Our home page on the Internet is at www.quantum.com. The information contained on, or accessible through, our website is not incorporated into this Offer to Purchase.

PURPOSE OF THE OFFER

We are making the Offer in order to acquire up to \$142 million in aggregate principal amount of the outstanding Notes. We will deliver the Notes that we purchase in the Offer to the Trustee for cancellation, and those Notes will cease to be outstanding. Any Notes that remain outstanding after the Offer will continue to be our obligations. Holders of those outstanding Notes will continue to have all the rights associated with those Notes. We are not seeking the approval of Holders for any amendment to the Notes or the Indenture.

SOURCE AND AMOUNT OF FUNDS

The maximum amount of funds required by us to purchase the Notes pursuant to the Offer is estimated to be approximately \$99,400,000. We intend to finance the Offer with the net proceeds of a \$100 million loan expected to be made to us by EMC International Company (“*EMC IC*”), a wholly-owned subsidiary of EMC (the “*EMC Loan*”), receipt of which is a condition to the consummation of the Offer (the “*Financing Condition*”). See “Terms of the Offer—Conditions to the Offer.”

On March 27, 2009, we entered into a commitment letter (the “*Commitment Letter*”) with EMC IC, pursuant to which EMC IC has agreed to provide a term loan credit facility of up to \$100 million (the “*Term Facility*”). The availability of the EMC Loan under the Term Facility is subject to negotiation, execution and delivery of definitive documentation for the Term Facility and various other customary conditions to closing, including, without limitation, the following:

- there shall not have been, since the date of the most recent audited financial statements furnished by us to EMC, any material adverse change, or any development involving a prospective material adverse change, in or affecting our or our subsidiaries’ business, management, financial position, stockholders’ equity or results of operations;
- EMC’s completion of, and satisfaction with the results of its due diligence;
- EMC not becoming aware of any new or inconsistent information or other matter not previously disclosed to EMC relating to us or the transactions contemplated by the commitment letter which EMC, in its reasonable judgment, deems material and adverse relative to the information or other matters disclosed by us to EMC prior to the date of this Offer to Purchase;
- our concurrent acceptance for payment of Notes that have an aggregate face value of at least \$135 million;
- all third-party approvals and consents have been received;
- there not existing any action, suit, litigation or other proceeding pending or threatened that would prohibit or otherwise materially adversely affect the transactions under the Term Facility;
- our delivery of a solvency certificate and analysis; and
- our entering into a software license and distribution agreement with EMC.

There can be no assurance that these conditions will be satisfied or that we will obtain the EMC Loan from EMC IC. As of the date hereof, no alternative financing arrangements or alternative financing plans have been made in the event the proceeds from the Term Facility are not available as anticipated.

The following description summarizes the proposed terms of the Term Facility as provided in the commitment letter. Those terms are subject to the negotiation and execution of definitive documentation for the Term Facility, and certain terms of the Term Facility could change.

Upon satisfaction of the closing conditions under the Term Facility, the EMC Loan will be available to us in a single draw on the closing date. The EMC Loan will mature on the earlier of (i) September 30, 2014 and (ii) the later of one day after we refinance or pay in full amounts outstanding under our existing senior secured credit agreement or August 1, 2010; provided that if we pay such amounts in full, we will have the option to refinance the EMC Loan with secured exchange notes on terms substantially the same as the EMC Loan, but with security, covenants and events of default substantially the same as those contained in such credit agreement. The EMC Loan will bear interest at 12% per annum, payable quarterly in arrears. At any time an event of default under the Term Facility has occurred and is continuing, the EMC Loan will bear interest at 14% per annum. The obligations under the Term Facility, including the EMC Loans, will constitute our senior subordinated indebtedness.

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To the extent not prohibited under our existing senior secured credit agreement, we may, at our option, prepay the EMC Loan in whole or in part from time to time. In the event that a Fundamental Change (as defined in the indenture for the Notes) shall occur, EMC IC will have the right to require us to purchase the EMC Loan for cash at 100% of the principal amount thereof, plus accrued and unpaid interest.

The Term Facility will initially contain affirmative and negative covenants and include events of default substantially the same as those in the indenture for the Notes. The EMC Loan will initially not be secured, but we may issue secured exchange notes in order to refinance it in the circumstances described above.

Under the Term Facility, the net proceeds from the EMC Loan are to be used exclusively to repurchase the Notes accepted for payment pursuant to the Offer.

TRADING MARKET FOR THE NOTES AND COMMON STOCK

The Notes are eligible for trading on The PORTAL Market of The NASDAQ Stock Market. However, there is no established public reporting or trading system for the Notes and trading in the Notes has been limited.

Our common stock is traded on The New York Stock Exchange under the symbol "QTM." As of the close of business on January 30, 2009, approximately 210.2 million shares of our common stock, par value \$.01 per share, were issued and outstanding. The following table sets forth quarterly high and low prices for trades of our common stock during fiscal 2009 through March 26, 2009, fiscal 2008 and fiscal 2007:

| | 2009 | | 2008 | | 2007 | |
|-----------------|---------|---------|---------|---------|---------|---------|
| | High | Low | High | Low | High | Low |
| First Quarter | \$ 2.55 | \$ 1.33 | \$ 3.29 | \$ 2.60 | \$ 3.76 | \$ 2.59 |
| Second Quarter | 1.95 | 0.96 | 3.58 | 2.83 | 2.66 | 1.94 |
| Third Quarter | 1.17 | 0.09 | 4.15 | 2.49 | 2.50 | 1.98 |
| Fourth Quarter* | 0.67 | 0.28 | 3.01 | 2.03 | 2.72 | 2.24 |

* Through March 26, 2009

The closing price of our common stock on March 26, 2009, was \$0.40 per share. For more information on possible effects of the Offer on the trading market for the Notes, see "Certain Significant Considerations—Limited Trading Market."

TERMS OF THE OFFER

General

Upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which, together with this Offer to Purchase and any amendments or supplements hereto or thereto, collectively constitute the “Offer”), including, if the Offer is extended or amended, the terms and conditions of the extension or amendment, we are offering to purchase for cash up to \$142 million in aggregate principal amount of our outstanding Notes at a repurchase price of \$700 for each \$1,000 principal amount of Notes plus accrued interest to, but excluding, the payment date. You will not be required to pay a commission to the Depository, the Information Agent, or the Trustee in connection with the tender of your Notes in the Offer. Except as set forth in Instruction 7 to the Letter of Transmittal, we will pay or cause to be paid any transfer taxes with respect to the transfer and sale of Notes pursuant to the Offer.

To the extent that acceptances of all validly tendered Notes would require the Company to purchase more than \$142 million (the *Maximum Purchase Amount*) in aggregate principal amount of Notes in connection with the Offer, the Company will allocate acceptances on a pro rata basis among the tendering Holders. The aggregate principal amount of Notes to be purchased from each Holder that tenders Notes will be calculated by multiplying the Notes tendered by such Holder by a factor equal to the Maximum Purchase Amount divided by the aggregate principal amount of Notes tendered by all Holders of Notes, such that the aggregate principal amount of all Notes purchased shall not exceed the Maximum Purchase Amount. In all cases, the Company will make appropriate adjustments to avoid purchases of Notes in a principal amount other than an integral multiple of \$1,000.

We expressly reserve the right to:

- terminate the Offer and not accept for payment and purchase the tendered Notes and promptly return all tendered Notes to tendering Holders, subject to the conditions set forth below;
- waive all the unsatisfied conditions and accept for payment and purchase all Notes that are validly tendered on or before the Expiration Date and not validly withdrawn;
- extend the Expiration Date at any time; or
- amend the Offer.

Our right to delay acceptance for payment of Notes tendered pursuant to the Offer or the payment for Notes accepted for purchase is subject to Rule 14e-1(c) under the Exchange Act, which requires that we pay the consideration offered or return the Notes deposited by or on behalf of the Holders promptly after the termination or withdrawal of the Offer. The Offer will expire at 5:00 p.m., New York City time, on May 12, 2009, unless we extend it in our sole discretion. You should read the sections titled “—Conditions to the Offer” and “—Extension, Waiver, Amendment and Termination” below.

For purposes of the Offer, we will be deemed to have accepted for payment (and thereby purchased) Notes validly tendered and not properly withdrawn if, as and when we give written notice to the Depository of our acceptance for payment of such Notes. We will deposit the aggregate purchase price for the Notes purchased in the Offer with the Depository, which will act as agent for the tendering Holders for the purpose of transmitting payments to the tendering Holders. Notes purchased pursuant to the Offer will be paid for in immediately available funds promptly after the date on which we accept all Notes properly tendered and not withdrawn.

We reserve the right to transfer or assign, from time to time, in whole or in part, to one or more of our affiliates the right to purchase any or all of the Notes validly tendered pursuant to the Offer. If this transfer or assignment occurs, the assignee-affiliate will purchase the Notes validly tendered and not validly withdrawn. However, the transfer or assignment will not relieve us of our obligations under the Offer and will not prejudice Holders’ rights to receive the purchase price in exchange for the Notes validly tendered and accepted for payment.

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NONE OF QUANTUM, THE DEALER MANAGER, THE DEPOSITARY, THE INFORMATION AGENT OR THE TRUSTEE MAKES ANY RECOMMENDATION AS TO WHETHER OR NOT HOLDERS SHOULD TENDER THEIR NOTES PURSUANT TO THE OFFER.

There are three ways to tender your Notes, depending on the manner in which your Notes are held:

- If your Notes are registered in your name, (a) complete and sign the Letter of Transmittal or a facsimile copy in accordance with the instructions to the Letter of Transmittal, (b) mail or deliver it and any other required documents to the Depository, and (c) either deliver the certificates for the tendered Notes to the Depository or transfer your Notes pursuant to the book-entry transfer procedures described in this Offer to Purchase;
- If your Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, meaning your Notes are owned in “street name,” then you must instruct your broker, dealer, commercial bank, trust company or other nominee to tender your Notes; or
- If your Notes are held of record by DTC, you may tender them through DTC’s Automated Tender Offer Program.

A HOLDER WITH NOTES REGISTERED IN THE NAME OF A BROKER, DEALER, COMMERCIAL BANK, TRUST COMPANY OR OTHER NOMINEE MUST CONTACT AND INSTRUCT THAT BROKER, DEALER, COMMERCIAL BANK, TRUST COMPANY OR OTHER NOMINEE IF SUCH HOLDER DESIRES TO TENDER THOSE NOTES. TO BE VALID, TENDERS MUST BE RECEIVED BY THE DEPOSITARY ON OR BEFORE THE EXPIRATION DATE.

We are offering to purchase up to the Maximum Purchase Amount of Notes in the Offer. Following completion of the Offer, subject to the restrictions of Rule 13c-4 under the Exchange Act, the Company may purchase additional Notes in the open market, in privately negotiated transactions, through tender offers, by redemption or otherwise. Any future purchase may be on the same terms or on terms that are more or less favorable to Holders of Notes than the terms of the Offer. Any future purchases by us will depend on various factors existing at that time. There can be no assurance as to which of these alternatives, if any, we will choose to pursue.

Procedure For Tendering Notes

Valid Tender. For a Holder to validly tender Notes pursuant to the Offer, a properly completed and duly executed Letter of Transmittal or facsimile thereof, with any required signature guarantee, or in the case of a book-entry transfer, an Agent’s Message (as defined below) in lieu of the Letter of Transmittal, and any other required documents, must be received by the Depository at the address set forth on the back cover of this Offer to Purchase on or before the Expiration Date. In addition, on or before the Expiration Date, either:

- certificates for tendered Notes must be received by the Depository at such address; or
- such Notes must be transferred pursuant to the procedures for book-entry transfer, and a confirmation of such tender must be received by the Depository, including an Agent’s Message if the tendering Holder has not delivered a Letter of Transmittal.

The term “*Agent’s Message*” means a message, transmitted by DTC to and received by the Depository and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgment from the tendering participant, which acknowledgment states that such participant has received and agrees to be bound by the Letter of Transmittal and that we may enforce such Letter of Transmittal against such participant.

Only Holders are authorized to tender their Notes. In all cases, notwithstanding any other provision of the Offer or contained in this Offer to Purchase, the payment for the Notes tendered and accepted for payment will

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be made only after timely receipt by the Depositary of certificates representing tendered Notes or book-entry confirmation, the Letter of Transmittal, or a facsimile thereof, properly completed and duly executed and any required signature guarantees or, in the case of a book-entry transfer, an Agent's Message and other documents required by the Letter of Transmittal.

If the Notes are held of record in the name of a person other than the signer of the Letter of Transmittal, or if certificates for unpurchased Notes are to be issued to a person other than the registered Holder, the Notes must be endorsed or accompanied by appropriate instruments of transfer entitling the signer to tender the Notes on behalf of the registered Holder, in any case signed exactly as the name of the registered Holder appears on the Notes, with the signatures on the certificates or instruments of transfer guaranteed as described below.

Need for Signature Guarantee. Signatures on a Letter of Transmittal must be guaranteed by a recognized participant (each, a "Medallion Signature Guarantor") in the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program or the Stock Exchanges Medallion Program, unless the tendered Notes are tendered:

- by the registered Holder of such Notes, or by a participant in DTC whose name appears on a Note position listing as the owner of such Notes, and that Holder has not completed either of the boxes titled "A. Special Issuance /Delivery Instructions" or "B. Special Payment Instructions" on the Letter of Transmittal; or
- for the account of a firm that is a member of a registered national securities exchange or the Financial Industry Regulatory Authority, Inc. or is a commercial bank or trust company having an office in the United States (each, an "Eligible Institution").

Book-Entry Delivery of the Notes. Within two business days after the date of this Offer to Purchase, the Depositary will establish an account with respect to the Notes at DTC for purposes of the Offer. Any financial institution that is a participant in the DTC system may make book-entry delivery of Notes by causing DTC to transfer such Notes into the Depositary's account in accordance with DTC's procedure for such transfer. Although delivery of Notes may be effected through book-entry at DTC, the Letter of Transmittal or facsimile thereof, with any required signature guarantees, or an Agent's Message in lieu of the Letter of Transmittal, and any other required documents, must be transmitted to and received by the Depositary on or before the Expiration Date at one of its addresses set forth on the back cover of this Offer to Purchase. DELIVERY OF DOCUMENTS TO DTC DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

General. The tender of Notes pursuant to the Offer by one of the procedures set forth above will constitute:

- the tendering Holder's acceptance of the terms and conditions of the Offer; and
- a representation and warranty by the tendering Holder that:
 - such Holder has the full power and authority to tender, sell, assign and transfer the tendered Notes; and
 - when the same are accepted for payment by us, we will acquire good and unencumbered title to such Notes, free and clear of all liens, restrictions, charges and encumbrances and not subject to adverse claims or rights.

The acceptance for payment by us of Notes will constitute a binding agreement between us and the tendering Holder upon the terms and subject to the conditions of the Offer.

THE METHOD OF DELIVERY OF THE LETTER OF TRANSMITTAL, CERTIFICATES FOR NOTES AND ALL OTHER REQUIRED DOCUMENTS IS AT THE ELECTION AND RISK OF THE TENDERING HOLDER. IF A HOLDER CHOOSES TO DELIVER BY MAIL, THE RECOMMENDED METHOD IS BY REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

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Form and Validity. All questions as to the form of all documents and the validity, eligibility, including time of receipt, acceptance for payment and withdrawal of tendered Notes will be determined by us, in our sole discretion, and our determination will be final and binding. We reserve the absolute right to reject any and all tenders of Notes that we determine are not in proper form or the acceptance for payment of or payment for which may, in the opinion of our counsel, be unlawful. We also reserve the absolute right in our sole discretion to waive any of the conditions of the Offer or any defect or irregularity in the tender of Notes of any particular Holder, whether or not similar defects or irregularities are waived in the case of other Holders. Our interpretation of the terms and conditions of the Offer, including the instructions in the Letter of Transmittal, will be final and binding. None of us, the Dealer Manager, the Depositary, the Information Agent or the Trustee or any other person will be under any duty to give notification of any defects or irregularities in tenders or any notices of withdrawal or will incur liability for failure to give any such notification.

Withdrawal of Tendered Notes

When Notes may be Withdrawn. You may withdraw your tendered Notes at any time on or before the Expiration Date. You may also withdraw your Notes if we have not accepted them for payment by June 12, 2009. A withdrawal of previously tendered Notes may not be rescinded. Any Notes properly withdrawn will be deemed not validly tendered for purposes of the Offer unless such Notes are properly re-tendered.

Holders who have withdrawn their previously tendered Notes may re-tender Notes at any time on or before the Expiration Date, by following one of the procedures described in “—Procedure for Tendering Notes.” In the event of a termination of the Offer, the Notes tendered pursuant to the Offer will be promptly returned to the tendering Holder.

Procedure for Withdrawing Notes. For a withdrawal of Notes to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Depositary at its address set forth on the back cover of this Offer to Purchase. The withdrawal notice must:

- specify the name of the person who tendered the Notes to be withdrawn;
- contain a description of the Notes to be withdrawn;
- specify the certificate numbers shown on the particular certificates evidencing such Notes and the aggregate principal amount represented by such Notes; and
- be signed by the Holder of such Notes in the same manner as the original signature on the Letter of Transmittal, including any required signature guarantees.

Alternatively, the withdrawal notice must be accompanied by evidence satisfactory to us, in our sole discretion, that the person withdrawing the tender has succeeded to the beneficial ownership of the Notes. In addition, any such notice of withdrawal must specify, in the case of Notes tendered by delivery of certificates for such Notes, the name of the registered Holder, if different from that of the tendering Holder or, in the case of Notes tendered by book-entry transfer, the name and number of the account at DTC to be credited with the withdrawn Notes. The signature on the notice of withdrawal must be guaranteed by an Eligible Institution unless such Notes have been tendered for the account of an Eligible Institution. If certificates for the Notes to be withdrawn have been delivered or otherwise identified to the Depositary, a signed notice of withdrawal will be effective immediately upon receipt by the Depositary of a written or facsimile transmission notice of withdrawal even if physical release is not yet effected. Any Notes properly withdrawn will be deemed to be not validly tendered for purposes of the Offer. Withdrawals of Notes can be accomplished only in accordance with the foregoing procedures.

If a Holder tenders its Notes in the Offer, such Holder may convert its Notes only if such Holder withdraws its Notes prior to the time such Holder's right to withdraw has expired. The Notes are convertible into shares of our common stock at a conversion rate (subject to adjustment) of 229.8851 shares per \$1,000 principal amount, which is equal to a conversion price of \$4.35 per share.

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Form and Validity. All questions as to the form and validity, including time of receipt, of notices of withdrawal of tenders will be determined by us, in our sole discretion, which determination will be final and binding. None of us, the Dealer Manager, the Depositary, the Information Agent or the Trustee or any other person will be under any duty to give notification of any defects or irregularities in any notices of withdrawal or be subject to any liability for failure to give any such notification.

Conditions to the Offer

Notwithstanding any other provision of the Offer, we will not be obligated to accept for purchase, and pay for, validly tendered Notes pursuant to the Offer if:

(i) the Minimum Tender Condition, which requires \$135 million minimum principal amount of Notes being validly tendered and not properly withdrawn, has not been satisfied as of the Expiration Date; or

(ii) the Financing Condition, which requires the receipt by Quantum of the proceeds of the EMC Loan under the Term Facility, has not been satisfied; the closing of the Term Facility is itself subject to a number of conditions; you should read the section entitled “Source and Amount of Funds” for more information regarding the Financing Condition and the conditions to the closing of the Term Facility, each of which is effectively a condition to the Offer.

Further, notwithstanding any other provision of the Offer, we will not be obligated to accept for purchase, and pay for, validly tendered Notes pursuant to the Offer if the conditions described below (the “*General Conditions*”) have not been satisfied. For purposes of the foregoing, the General Conditions shall be deemed to have been satisfied on the Expiration Date, unless any of the following events shall have occurred and be continuing on or after the date of this Offer to Purchase and before the Expiration Date:

(i) there is pending or has been threatened or instituted any action, suit, litigation, allegation, challenge, notice of default, proceeding or investigation by or before any court or governmental regulatory or administrative agency or authority or tribunal, domestic or foreign, or by any other third party whose consent is required for the making of the Offer which (a) challenges the making of the Offer, the acquisition of Notes pursuant to the Offer or otherwise relates in any manner to the Offer or (b) in our reasonable judgment, could have a material adverse effect on the business, financial condition, income, operations or prospects of Quantum and its subsidiaries, taken as a whole (a “*Material Adverse Effect*”);

(ii) there has been any material adverse development, in our reasonable judgment, with respect to any action, proceeding or investigation concerning Quantum existing on the date hereof;

(iii) a statute, rule, regulation, judgment, order, stay or injunction shall have been threatened, proposed, sought, promulgated, enacted, entered, enforced or deemed to be applicable by any court or governmental regulatory or administrative agency, authority or tribunal, domestic or foreign, which, in our reasonable judgment, would or might directly or indirectly prohibit, prevent, restrict or delay consummation of the Offer or that could have a Material Adverse Effect;

(iv) there has been or is likely to occur any event or series of events that, in our reasonable judgment, would or might prohibit, prevent, restrict or delay consummation of the Offer or that will, or is reasonably likely to, materially impair the contemplated benefits to Quantum of the Offer, or otherwise result in the consummation of the Offer not being, or not being reasonably likely to be, in the best interests of Quantum;

(v) there has been (a) any general suspension of, shortening of hours for or limitation on prices for trading in securities in the United States securities or financial markets for a period in excess of 24 hours, (b) a material impairment in the trading market for debt securities, (c) a declaration of a banking moratorium or any suspension of payments in respect of banks by federal or state authorities in the United States (whether of not mandatory), (d) a commencement of a war, armed hostilities, act of terrorism or other national or international crisis, (e) any limitation (whether or not mandatory) by any governmental authority on, or other event having a reasonable likelihood of affecting, the extension of credit by banks or other lending institutions in the United States, (f) any material change in the United States currency exchange rates or a suspension of, or limitations on, the markets therefor (whether or not mandatory) or (g) in the case

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of any of the foregoing existing at the time of the commencement of the Offer, a material acceleration or worsening thereof; or

(vi) there has been or is likely to occur any change or development, including without limitation, a change or development involving a prospective change, in or affecting the business or financial affairs of Quantum and its subsidiaries which, in our reasonable judgment, could or might prohibit, restrict or delay consummation of the Offer or impair the contemplated benefits of the Offer to Quantum or might be material in deciding whether to accept any tenders of Notes.

IMPORTANT: The above conditions are for our sole benefit and may be asserted by us regardless of the circumstances, including any action or inaction by us, giving rise to such condition or may be waived by us in whole or in part at any time and from time to time in our sole discretion (including the Minimum Tender Condition, which we may waive and pay for the Notes validly tendered and not withdrawn pursuant to the Offer, subject to applicable law). The failure by us at any time to exercise any of the foregoing rights will not be deemed a waiver of any other right, and each right will be deemed an ongoing right which may be asserted at any time and from time to time. Any determination by us concerning the events described above will be final and binding upon all parties.

Extension, Waiver, Amendment and Termination

We expressly reserve the right, in our sole discretion at any time or from time to time, subject to applicable law:

- to extend the Expiration Date and thereby delay acceptance for payment of, and the payment for, any Notes, by giving written notice of such extension to the Depositary and making a public announcement of the extension;
- to amend the Offer in any respect, by giving written notice of such amendment to the Depositary and making a public announcement of the amendment; or
- to waive in whole or in part any condition to the Offer and accept for payment and purchase all Notes validly tendered and not validly withdrawn before the Expiration Date.

We expressly reserve the right, in our sole discretion, to terminate the Offer. If any of the events set forth under “—Conditions to the Offer” have occurred, we reserve the right, in our sole discretion, to (i) terminate the Offer and reject for payment and not pay for any Notes tendered that we have not already accepted for payment and paid for and (ii) subject to applicable law, postpone payment for any tendered Notes. If we elect to terminate the Offer or postpone payment for tendered Notes, we will give written notice to the Depositary and make a public announcement of such termination or postponement. Our reservation of the right to delay payment for Notes that we have accepted for payment is limited by Section 13e-4(f)(5), which requires that we pay the consideration offered or return the Notes tendered promptly after the termination or withdrawal of the Offer.

If we materially change the terms of the Offer or the information concerning the Offer, or if we waive a material condition of the Offer, we will disseminate additional tender offer materials and extend the Offer to the extent required by Rule 13e-4(d)(2) and Rule 13e-4(e)(3) under the Exchange Act.

We will notify you as promptly as practicable of any other extension, waiver, amendment or termination by public announcement, with the announcement in the case of an extension to be issued no later than 9:00 a.m., New York City time, on the first business day after the previously scheduled Expiration Date. Without limiting the manner in which we may choose to make any public announcement, we will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a release to the Dow Jones News Service.

If we terminate the Offer, we will give immediate notice of the termination to the Depositary, and all Notes previously tendered will be returned promptly to the tendering Holders thereof. If the Offer is withdrawn or otherwise not completed, the purchase price will not be paid or become payable to Holders of Notes who have validly tendered their Notes in the Offer.

CERTAIN SIGNIFICANT CONSIDERATIONS

In deciding whether to participate in the Offer, you should consider the following factors, in addition to the other information presented in this Offer to Purchase and the documents that we incorporate by reference into this Offer to Purchase, including the important factors described in “Forward-Looking Statements.” These are not the only risks we face. Any of such risks, as well as other risks and uncertainties that we do not know about now or that we do not think are important, could seriously harm our business and financial results and cause the value of the Notes to decline, which in turn could cause you to lose all or part of your investment.

No Recommendations Concerning the Offer. None of Quantum, its Board of Directors, the Dealer Manager, the Information Agent, the Trustee or the Depositary or any of their respective affiliates makes any recommendation to any Holder whether to tender or refrain from tendering any or all of such Holder’s Notes, and none of them has authorized any person to make any such recommendation. Holders are urged to evaluate carefully all information in the Offer, consult their own investment, legal and tax advisors and make their own decisions whether to tender Notes, and, if they decide to tender Notes, the principal amount of Notes to tender.

Limited Trading Market. The Notes are not listed on any national or regional securities exchange. To our knowledge, the Notes are traded infrequently in transactions arranged through brokers. Quotations for securities that are not widely traded, such as the Notes, may differ from actual trading prices and should be viewed as approximations. Holders are urged to contact their brokers with respect to current information regarding the Notes. To the extent that some but not all of the Notes are purchased pursuant to the Offer, any existing trading market for the remaining Notes may become more limited. A debt security with a smaller outstanding principal amount available for trading (the “float”) may command a lower price than would a comparable debt security with a greater float. The reduced float may also make the trading price of Notes that are not accepted for payment pursuant to the Offer more volatile. Consequently, the liquidity, market value and price volatility of Notes that remain outstanding may be adversely affected. Holders of Notes not purchased in the Offer may attempt to obtain quotations for such Notes from their brokers; however, there can be no assurance that any trading market will exist for such Notes following consummation of the Offer. The extent of the public market for the Notes following consummation of the Offer depends upon the number of Holders remaining at such time, the interest in maintaining a market in such Notes on the part of securities firms and other factors.

Existence of Debt. We have now, and after consummating the Offer, will continue to have a significant amount of indebtedness. Our substantial indebtedness could have important consequences to us including

- limiting our ability to borrow additional amounts for working capital, capital expenditures, debt service requirements, execution of our growth strategy, or other purposes;
- limiting our ability to use operating cash flow in other areas of our business because we must dedicate a substantial portion of these funds to service the debt;
- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our ability to capitalize on business opportunities and to react to competitive pressures and adverse changes in government regulation;
- limiting our ability or increasing the costs to refinance indebtedness; and
- limiting our ability to enter into marketing, hedging, optimization and trading transactions by reducing the number of counterparties with whom we can enter into such transactions as well as the volume of those transactions.

If an event of default were to occur under our existing or future financing agreements, the lenders under such agreements may be able to discontinue lending, to accelerate the related debt as well as any other debt to which a cross-acceleration or cross-default provision applies, or declare all borrowings outstanding thereunder to be due and payable. In addition, the lenders could terminate any commitments they had made to supply us with further funds.

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Ranking of Notes. Any Notes that remain outstanding upon consummation of the Offer will be unsecured and subordinated in right of payment in full to all of our indebtedness and all indebtedness and other liabilities of our subsidiaries. As a result, in the event of our bankruptcy, liquidation or reorganization or upon acceleration of the Notes due to an event of default under the Indenture and in certain other events, our assets will be available to pay obligations on the Notes only after all senior indebtedness has been paid in full. After retiring our senior indebtedness, we may not have sufficient assets remaining to pay amounts due on any or all of the Notes then outstanding.

Effective Subordination. Any Notes that remain outstanding upon consummation of the Offer will be our exclusive obligations and our corporate structure will result in substantial structural subordination of those Notes. Since a substantial portion of our operations is conducted in part through subsidiaries, our cash flow and ability to service debt, including the Notes, are dependent upon the earnings of our subsidiaries and the distribution of those earnings to, or upon loans or other payments of funds by those subsidiaries to, us. Our subsidiaries are separate legal entities and have no obligation to make any payments on the Notes or to make any funds available for payment on the Notes. The payment of dividends and the making of loans and advances to us by our subsidiaries may be subject to statutory or contractual restrictions (including the restrictions contained in our credit agreement), are dependent upon the earnings of those subsidiaries and are subject to various business considerations. Our right to receive assets of any of our subsidiaries upon their liquidation or reorganization (and the consequent right of the holders of the Notes to participate in those assets) will be effectively subordinated to the claims of that subsidiary's creditors (including trade creditors), except to the extent that we are recognized as a creditor of such subsidiary, in which case our claims would still be subordinate to any security interests in the assets of such subsidiary and any indebtedness of such subsidiary senior to that held by us.

Quantum May Realize Cancellation of Indebtedness Income. The purchase of Notes pursuant to the Offer will result in cancellation of indebtedness income for U.S. federal income tax purposes to Quantum to the extent that the cash paid is less than the adjusted issue price (as defined for U.S. federal income tax purposes) of the Notes that are purchased.

Consummation of the Offer Is Subject to Conditions. Each of the conditions to the Offer is described in more detail in the section titled "Terms of the Offer—Conditions to the Offer." There can be no assurance that such conditions will be met or waived or that, in the event the Offer is not consummated, the market value and liquidity of the Notes will not be materially adversely affected.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of certain U.S. federal income tax considerations relevant to the sale of the Notes pursuant to the Offer. This discussion applies only to persons who hold the Notes as capital assets (generally, property held for investment within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”). This discussion is based upon the Code, Treasury Regulations, Internal Revenue Service (“IRS”) rulings and pronouncements, and judicial decisions now in effect, all of which are subject to change at any time by legislative, administrative, or judicial action, possibly with retroactive effect. This discussion does not discuss every aspect of U.S. federal income taxation that may be relevant to particular taxpayers in light of their personal circumstances or to persons who are otherwise subject to special tax treatment (including, without limitation, banks, broker-dealers, insurance companies, pension and other employee benefit plans, tax-exempt organizations and entities, persons who acquire Notes in connection with the performance of services, certain U.S. expatriates, persons holding Notes as a part of a hedging or conversion transaction or a straddle, partnerships or pass-through entities and owners of interest therein, U.S. Holders (as defined below) persons whose functional currency is not the U.S. dollar and, except to the extent discussed below, persons who are not U.S. Holders (as defined below)) and it does not discuss the effect of any applicable U.S. state and local or non-U.S. federal tax laws or U.S. federal tax laws other than U.S. income tax law. We have not sought and will not seek any rulings from the IRS concerning the tax consequences of the repurchase of the Notes and, accordingly, there can be no assurance that the IRS will not successfully challenge the tax consequences described below.

If a partnership holds Notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our Notes, you should consult your tax advisor regarding the tax consequences of the repurchase of the Notes.

EACH HOLDER IS URGED TO CONSULT SUCH HOLDER’S OWN TAX ADVISOR WITH RESPECT TO THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE REPURCHASE OF NOTES, AS WELL AS ANY TAX CONSEQUENCES APPLICABLE UNDER THE LAWS OF ANY U.S. STATE, LOCAL, OR NON-U.S. TAXING JURISDICTION AND OTHER U.S. FEDERAL TAX LAWS.

U.S. Holders

As used herein, the term “U.S. Holder” refers to a person that is classified for U.S. federal income tax purposes as a “United States person”. For this purpose, a United States person includes any person who is, for U.S. federal income tax purposes, (i) an individual who is citizen or resident of the United States, (ii) a corporation created or organized in the United States or under the laws of the United States or of any state or political subdivision thereof, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust whose administration is subject to the primary supervision of a U.S. court and which has one or more United States persons who have the authority to control all substantial decisions of the trust. Notwithstanding the preceding sentence, to the extent provided in Treasury Regulations, certain trusts in existence on August 20, 1996 and treated as United States persons prior to such date that elect to continue to be treated as United States persons shall also be considered U.S. Holders.

Upon the sale of a Note pursuant to the Offer, a U.S. Holder will recognize gain or loss to the extent of the difference between the cash received in exchange therefor (except to the extent attributable to the payment of accrued and unpaid interest on the Notes, which generally will be taxed as ordinary income to the extent that the Holder has not previously recognized this income), and the U.S. Holder’s adjusted tax basis in the Notes. A U.S. Holder’s tax basis in a Note will initially equal the cost of the Note and will subsequently be increased by any market discount previously included in income by the U.S. Holder with respect to the Note and reduced by any amortizable bond premium previously taken into account by the U.S. Holder with respect to the Note. Generally, except to the extent of accrued market discount (if any) on repurchased Notes that such Holder has not previously included in income (which will be taxable as ordinary income as discussed below), any such gain or loss

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recognized by a U.S. Holder upon the repurchase will be capital gain or loss. In the case of a non-corporate U.S. Holder, such capital gain will be subject to tax at a reduced rate if the Note is held for more than one year. The deductibility of capital losses is subject to limitation.

An exception to the capital gain treatment described above may apply to a U.S. Holder who purchased a Note at a “market discount.” Subject to a statutory de minimis exception. Notes have market discount if they were purchased at an amount less than the stated principal amount of the Notes. In general, unless the U.S. Holder has elected to include market discount in income currently as it accrues, any gain recognized by a U.S. Holder on the sale of Notes having market discount in excess of a de minimis amount will be treated as ordinary income to the extent of the portion of the market discount that has accrued (on a straight-line basis or, at the election of the U.S. Holder, on a constant-yield basis) while such Notes were held by the U.S. Holder.

Non-U.S. Holders

As used herein, the term “*Non-U.S. Holder*” refers to a person that is classified for U.S. federal income tax purposes as (i) a non-resident alien individual, (ii) a foreign corporation, or (iii) a foreign estate or trust.

In general, amounts received by a Non-U.S. Holder on the repurchase of the Notes attributable to interest will not be subject to U.S. federal withholding tax under the so-called “portfolio interest” exception provided that:

- the Non-U.S. Holder does not actually or constructively own 10% or more of the total combined voting power of all our classes of stock entitled to vote;
- the Non-U.S. Holder is not a controlled foreign corporation that is related to us actually or constructively through stock ownership;
- the Non-U.S. Holder is not a bank that received the Notes on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business;
- the interest is not effectively connected with the conduct by the Non-U.S. Holder of a U.S. trade or business; and
- either (1) the Non-U.S. Holder certifies on IRS Form W-8BEN (or a suitable substitute or successor form) provided to us or the paying agent, under penalties of perjury, that it is not a United States person and provides its name and address, (2) a securities clearing organization, bank or other financial institution that holds customers’ securities in the ordinary course of its trade or business and holds the Notes on behalf of the Non-U.S. Holder certifies to us or the paying agent under penalties of perjury that it, or the financial institution between it and the Non-U.S. Holder, has received from the Non-U.S. Holder a statement, under penalties of perjury, that such holder is not a United States person and provides us or the paying agent with a copy of such statement or (3) the Non-U.S. Holder holds its Notes directly through a “qualified intermediary” and the qualified intermediary has sufficient information in its files indicating that the Holder is not a U.S. Holder. A qualified intermediary is a bank, broker or other intermediary that (i) is either a U.S. or non-U.S. entity, (ii) is acting out of a non-U.S. branch or office and (iii) has signed an agreement with the IRS providing that it will administer all or part of the U.S. tax withholding rules under specified procedures.

If a Non-U.S. Holder cannot satisfy the requirements described above, payments of interest to such Holder will be subject to the 30% U.S. federal withholding tax and will be made net of such withholding, unless, prior to such payment of interest, the Holder provides us with a properly executed (1) IRS Form W-8BEN (or successor form) claiming an exemption from or reduction in withholding under the benefit of an applicable tax treaty or (2) IRS Form W-8ECI (or successor form) stating that interest paid on the Note is not subject to withholding tax because it is effectively connected with the conduct of a U.S. trade or business. If a Non-U.S. Holder is engaged in a trade or business in the United States and interest on a Note is effectively connected with the conduct of that

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trade or business, then, subject to an applicable tax treaty providing otherwise, the Holder will be subject to U.S. federal income tax on that interest on a net income basis (although the Holder will be exempt from the 30% withholding tax, provided the certification requirements described above are satisfied) generally in the same manner as if the Non-U.S. Holder was a United States person as defined under the Code. In addition, if the Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (or lower applicable treaty rate) of its earnings and profits for the taxable year, subject to adjustments, that are effectively connected with its conduct of a trade or business in the United States.

Non-U.S. Holders generally will not be subject to U.S. federal income taxation, including by way of withholding, on gain recognized on a repurchase of Notes unless (i) the gain is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States (and if a tax treaty applies, the gain is attributable to a U.S. permanent establishment maintained by such Non-U.S. Holder), (ii) in the case of a Non-U.S. Holder who is an individual, such Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of disposition and certain other requirements are met, or (iii) we are or have been a "U.S. real property holding corporation" for U.S. federal income tax purposes. We believe we are not and have not been a "U.S. real property holding corporation" for U.S. federal income tax purposes.

A Non-U.S. Holder whose gain is effectively connected with the conduct of a trade or business within the United States generally will be subject to U.S. federal income tax on the net gain derived from the sale, subject to an applicable tax treaty providing otherwise. Any such effectively connected gain received by a Non-U.S. Holder that is a corporation may also, under certain circumstances, be subject to an additional branch profits tax at a 30% rate or such lower rate as may be applicable under an income tax treaty.

Backup Withholding

To prevent backup withholding on payments made to each surrendering U.S. Holder, each such U.S. Holder should either (x) provide such Holder's correct taxpayer identification number ("*TIN*") by completing an IRS Form W-9, certifying that (1) such Holder is a "United States person" (as defined in section 7701(a)(30) of the Code), (2) the TIN provided is correct (or that such U.S. Holder is awaiting a TIN) and (3) that such U.S. Holder is not subject to backup withholding because: (a) such Holder is exempt from backup withholding, (b) such Holder has not been notified by the IRS that such Holder is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified such U.S. Holder that he, she or it is no longer subject to backup withholding, or (y) otherwise establish an exemption. Otherwise, backup withholding will apply until such Holder furnishes such Holder's TIN (and, if such Holder has not already done so, the completed IRS Form W-9 described above). If a tendering U.S. Holder does not provide the correct TIN or an adequate basis for exemption, such Holder may be subject to a \$50 penalty imposed by the IRS, and payments made with respect to the tendered Notes will be subject to backup withholding. If withholding results in an overpayment of taxes, a refund may be obtained provided that the required information is timely furnished to the IRS.

Certain U.S. Holders (including among others corporations) are exempt recipients not subject to backup withholding requirements. To avoid possible erroneous backup withholding, exempt U.S. Holders should complete and return the IRS Form W-9 (checking the "Exempt" box on its face).

To prevent backup withholding, Non-U.S. Holders should (i) submit a properly completed IRS Form W-8BEN, certifying under penalties of perjury to the Holder's foreign status or (ii) otherwise establish an exemption.

THE DEALER MANAGER, DEPOSITARY AND INFORMATION AGENT

Dealer Manager

Credit Suisse Securities (USA) LLC is acting as the Dealer Manager for Quantum in connection with the Offer and has provided certain financial advisory services to Quantum in connection with the Offer for which it will receive customary fees. Pursuant to the Dealer Manager Agreement, Quantum will reimburse Credit Suisse Securities (USA) LLC for certain out-of-pocket expenses. Quantum has agreed to indemnify Credit Suisse Securities (USA) LLC and its affiliates against certain liabilities in connection with the Offer, including liabilities under the U.S. federal securities laws.

From time to time in the ordinary course of their business, Credit Suisse Securities (USA) LLC and its affiliates have in the past engaged and may in the future engage in commercial banking, financial advisory or investment banking transactions with us and our affiliates, for which the underwriter and its affiliates have received and will be entitled to receive separate fees. From time to time, Credit Suisse Securities (USA) LLC has in the past acted and is currently acting, as a financial advisor to us, for which it has received and is receiving customary fees. An affiliate of Credit Suisse is the administrative agent and a lender under our senior secured credit facility.

Any Holder who has questions concerning the terms of the Offer may contact the Dealer Manager at the address and telephone number set forth on the back cover page of this Offer to Purchase.

Depositary and Information Agent

The Depositary for the Offer is Global Bondholder Services Corporation. All deliveries, correspondence and questions sent or presented to the Depositary relating to the Offer should be directed to the address or telephone number set forth on the back cover of this Offer to Purchase. The Company will pay the Depositary reasonable and customary compensation for its services in connection with the Offer, plus reimbursement of out-of-pocket expenses. The Company will indemnify the Depositary against certain liabilities and expenses in connection therewith, including liabilities under the federal securities laws.

Global Bondholder Services Corporation is acting as the Information Agent for the Company in connection with the Offer. The Company will pay the Information Agent reasonable and customary compensation for such services, plus reimbursement for out-of-pocket expenses. All inquiries and correspondence addressed to the Information Agent relating to the Offer should be directed to the address or telephone number set forth on the back cover page of this Offer to Purchase.

The Dealer Manager may contact Holders regarding the Offer and may request brokers, dealers, commercial banks, trust companies and other nominees to forward this Offer to Purchase and related materials to beneficial owners of Notes. Brokers, dealers, commercial banks and trust companies will be reimbursed by the Company for customary mailing and handling expenses incurred by them in forwarding material to their customers. The Company will not pay any fees or commissions to any broker, dealer or other person, other than the Dealer Manager, in connection with the solicitation of tenders of Notes pursuant to the Offer.

INCORPORATION OF DOCUMENTS BY REFERENCE

We are incorporating by reference certain documents we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information in the documents incorporated by reference is considered to be part of this Offer to Purchase. We incorporate by reference the following documents, which we have filed with the SEC (File No. 000-20820):

- our Tender Offer Statement on Schedule TO filed with the SEC on March 27, 2009;
- our Definitive Proxy Statement on Schedule 14A filed with the SEC on June 27, 2008;
- our Annual Report on Form 10-K for the fiscal year ended March 31, 2008;
- our Quarterly Reports on Form 10-Q for the fiscal quarters ended June 30, September 30 and December 31, 2008; and
- our Current Reports on Form 8-K filed on August 22, 2008, August 27, 2008, October 1, 2008, October 31, 2008, November 24, 2008, December 5, 2008 and March 27, 2009.

You may request a copy of these filings, at no cost to you, by writing or telephoning us at: Quantum Corporation, 1650 Technology Drive, Suite 800, San Jose, California 95110, attention: Investor Relations, telephone: (408) 944-4000. If you request a copy of any or all of the documents incorporated by reference, we will send to you the copies you request. However, we will not send exhibits to the documents, unless the exhibits are specifically incorporated by reference in the documents. These documents are also available from the SEC's public reference room and Internet site referred to in the section titled "Where You Can Find More Information."

MISCELLANEOUS

Pursuant to Rule 13e-4 under the Exchange Act, we have filed with the SEC a tender offer statement on Schedule TO that contains additional information with respect to the Offer. The Schedule TO, including the exhibits and any amendments to the Schedule TO, may be examined, and copies may be obtained, at the same places and in the same manner as described in the sections titled "Incorporation of Documents by Reference" and "Where You Can Find More Information."

The Offer is being made to all Holders of Notes. We are not aware of any jurisdiction in which the making of the Offer is prohibited by administrative or judicial action pursuant to a state statute. If we become aware of any jurisdiction where the making of the Offer is so prohibited, we will make a good faith effort to comply with any such statute. If, after such good faith effort, we cannot comply with any applicable statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the Holders in such jurisdiction.

The statements contained herein are made as of the date hereof, and the delivery of this Offer to Purchase and the accompanying materials will not, under any circumstances, create any implication that the information contained herein is correct at any time subsequent to the date hereof.

Any questions or requests for assistance or additional copies of this Offer to Purchase, the Letter of Transmittal or other materials may be directed to the Information Agent at the telephone number and locations listed below. You may also contact your broker, dealer, commercial bank or trust company or nominee for assistance concerning the Offer.

THE INFORMATION AGENT FOR THE OFFER IS:

GLOBAL BONDHOLDER SERVICES CORPORATION

65 Broadway, Suite 723
New York NY 10006
Attn: Corporate Actions

Banks and Brokers call: (212) 430-3774
Toll Free (866) 488-1500

THE DEPOSITARY FOR THE OFFER IS:

GLOBAL BONDHOLDER SERVICES CORPORATION

By facsimile:
(For Eligible Institutions only):
(212) 430-3775

Confirmation:
(212) 430-3774

By Mail:
65 Broadway—Suite 723
New York, NY 10006

By Overnight Courier:
65 Broadway—Suite 723
New York, NY 10006

By Hand:
65 Broadway—Suite 723
New York, NY 10006

Any questions regarding the terms and conditions of the Offer may be directed to the Dealer Manager.

THE DEALER MANAGER FOR THE OFFER IS:

CREDIT SUISSE SECURITIES (USA) LLC

Eleven Madison Avenue
New York, New York 10010
(212) 325-2000
Attention: Bill Brenton

LETTER OF TRANSMITTAL
QUANTUM CORPORATION

Offer to Purchase for Cash
up to \$142 million in aggregate principal amount of the outstanding
4.375% Convertible Subordinated Notes Due 2010
of
Quantum Corporation

(CUSIP NOS. 747906 AD 7 and 747906 AE 5)

Pursuant to the Offer to Purchase
dated March 27, 2009

THE OFFER AND YOUR WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON MAY 12, 2009, UNLESS EXTENDED (SUCH DATE AND TIME AS IT MAY BE EXTENDED, THE "EXPIRATION DATE"). YOUR ACCEPTANCE OF THE OFFER MAY ONLY BE WITHDRAWN UNDER THE CIRCUMSTANCES DESCRIBED IN THE OFFER TO PURCHASE AND IN THIS LETTER OF TRANSMITTAL.

The Depository for the Offer is:

Global Bondholder Services Corporation

65 Broadway—Suite 723
New York, NY 10006
Attn: Corporate Actions

DELIVERY OF THIS LETTER OF TRANSMITTAL (THIS "LETTER OF TRANSMITTAL") TO AN ADDRESS, OR TRANSMISSION VIA FACSIMILE TO A NUMBER, OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

Capitalized terms used but not defined herein shall have the same meanings given them in the related Offer to Purchase dated March 27, 2009.

THE INSTRUCTIONS CONTAINED HEREIN SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED AND SIGNED.

This Letter of Transmittal is to be used by the Holders of the 4.375% Convertible Subordinated Notes Due 2010 (the "Notes") of Quantum Corporation, a Delaware corporation ("*Quantum*") if:

- certificates for tendered Notes are to be physically delivered to the Depository; or
- tender of Notes is to be made by book-entry transfer to the Depository's account at The Depository Trust Company ("*DTC*") pursuant to the procedures for book-entry transfer set forth under the caption "Terms of the Offer—Procedure For Tendering Notes" in the Offer to Purchase

and, in each case, instructions are not being transmitted through the DTC's Automated Tender Offer Program ("*ATOP*").

Holders who are tendering by book-entry transfer to the Depository's account at DTC can execute the tender through ATOP. DTC participants that are accepting the Offer may transmit their acceptance to DTC, which will

NOTE: SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

The undersigned hereby tenders to Quantum Corporation (“*Quantum*”), upon the terms and subject to the conditions set forth in the Offer to Purchase, dated March 27, 2009 (the “*Offer to Purchase*”), receipt of which is acknowledged, and in accordance with this Letter of Transmittal (which together with the Offer to Purchase, constitutes the “*Offer*”), the principal amount of Notes indicated in the table above labeled “Description of Notes” under the column heading “Principal Amount Tendered.” If nothing is indicated in that column, then the entire aggregate principal amount represented by the Notes described in the table is tendered.

Subject to, and effective upon, the acceptance for payment of the Notes tendered in accordance with the Offer, the undersigned hereby sells, assigns and transfers to, or upon the order of, Quantum, all right, title and interest in and to all of the tendered Notes. The undersigned hereby irrevocably constitutes and appoints the Depository the true and lawful agent and attorney-in-fact of the undersigned, with full knowledge that the Depository also acts as the agent of Quantum, with respect to tendered Notes, and with full powers of substitution and revocation:

- to present such Notes and all evidences of transfer and authenticity to, or transfer of ownership of, such Notes on the account books maintained by the Depository Trust Company (“*DTC*”) to, or upon the order of, Quantum; and
- to receive all benefits and otherwise exercise all rights of beneficial ownership of such Notes,

all in accordance with the terms and conditions of the Offer as described in the Offer to Purchase. The above granted power of attorney is deemed to be an irrevocable power of attorney coupled with an interest.

If the undersigned is not the registered Holder listed in the box above labeled “Description of Notes” under the column heading “Principal Amount Tendered” or the Holder’s legal representative or attorney in-fact, then in order to validly tender, the undersigned must obtain and deliver with this Letter of Transmittal Notes that are endorsed or accompanied by appropriate instruments of transfer entitling the undersigned to tender the Notes on behalf of such registered Holder, in any case signed exactly as the name of the registered Holder appears on the Notes, with the signatures on the certificates or instruments of transfer guaranteed as described below.

The undersigned understands that tenders of Notes pursuant to any of the procedures described in the Offer to Purchase and in the Letter of Transmittal instructions will constitute the undersigned’s acceptance of the terms and conditions of the Offer. Quantum’s acceptance of such Notes for payment will constitute a binding agreement between the undersigned and Quantum upon the terms and subject to the conditions of the Offer. For purposes of the Offer, the undersigned understands that Quantum will be deemed to have accepted for payment (and thereby purchased) tendered Notes, or defectively tendered Notes with respect to which Quantum has, or has caused to be, waived such defect, if, as and when Quantum gives written notice to the Depository of its acceptance for payment of such Notes.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Notes tendered hereby, and that when such tendered Notes are accepted for payment by Quantum, Quantum will acquire good and unencumbered title to the Notes, free and clear of all liens, restrictions, charges and encumbrances and not subject to adverse claims or rights.

The undersigned will, upon request, execute and deliver any additional documents deemed by the Depository or by Quantum to be necessary or desirable to complete the sale, assignment and transfer of the Notes tendered hereby.

The undersigned understands that Quantum reserves the right to transfer or assign, from time to time, in whole or in part, to one or more of its affiliates that right to purchase all or any of the Notes validly tendered

pursuant to the Offer. If such assignment occurs, the assignee-affiliate will purchase the Notes validly tendered. However, any such transfer or assignment will not relieve Quantum of its obligations under the Offer and will not prejudice the undersigned's right to receive the purchase price in exchange for the Notes validly tendered and accepted for payment on the acceptance date.

All authority herein conferred or agreed to be conferred by this Letter of Transmittal will not be affected by, and will survive, the death or incapacity of the undersigned, and any obligation of the undersigned hereunder will be binding upon the heirs, executors, administrators, trustees in bankruptcy, personal and legal representatives, successors and assigns of the undersigned.

The undersigned understands that the delivery and surrender of any Notes is not effective, and the risk of loss of the Notes does not pass to the Depository, until receipt by the Depository of this Letter of Transmittal, or a facsimile hereof, properly completed and duly executed, together with all accompanying evidences of authority and any other required documents in form satisfactory to Quantum. All questions as to the form of all documents and the validity, including time of receipt, acceptance for payment and withdrawal of tendered Notes, will be determined by Quantum, in its sole discretion, which determination will be final and binding.

Unless otherwise indicated herein in the box below labeled "A. Special Issuance/Delivery Instructions," the undersigned hereby request(s) that any Notes representing principal amounts not tendered or not accepted for purchase be issued in the name(s) of, and delivered to, the undersigned, and in the case of Notes tendered by book-entry transfer, by credit to the account of DTC. Unless otherwise indicated herein in the box below labeled "B. Special Payment Instructions," the undersigned hereby request(s) that any checks for payments to be made in connection with the Offer be issued to the order of, and delivered to, the undersigned.

If the "A. Special Issuance/Delivery Instructions" box is completed, the undersigned hereby request(s) that any Notes representing principal amounts not tendered or not accepted for purchase be issued in the name(s) of, and be delivered to, the person(s) at the address(es) therein indicated.

The undersigned recognizes that Quantum has no obligation pursuant to the "A. Special Issuance/Delivery Instructions" box to transfer any Notes from the names of the registered Holder(s) thereof if Quantum does not accept for purchase any of such tendered Notes. In the event that the "B. Special Payment Instructions" box is completed, the undersigned hereby request(s) that name(s) of, and be delivered to, the person(s) at the address(es) therein indicated.

**A. SPECIAL ISSUANCE/DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 1, 5, 6 AND 7)**

To be completed ONLY if Notes in a principal amount not tendered or not accepted for purchase are to be issued in the name of someone other than the person(s) whose signature(s) appear(s) within this Letter of Transmittal or sent to an address different from that shown in the box entitled "Description of Notes" within this Letter of Transmittal.

Name: _____
(PLEASE PRINT)

Address: _____

_____ (INCLUDING ZIP CODE)

(TAX IDENTIFICATION OR
SOCIAL SECURITY NUMBER)
(SEE IRS FORM W-9 HEREIN)

**B. SPECIAL PAYMENT
INSTRUCTIONS
(SEE INSTRUCTIONS 1, 5, 6 AND 7)**

To be completed ONLY if checks are to be issued in the name of someone other than the person(s) whose signature(s) appear(s) within this Letter of Transmittal or sent to an address different from that shown in the box entitled "Description of Notes" within this Letter of Transmittal.

Name: _____
(PLEASE PRINT)

Address: _____

_____ (INCLUDING ZIP CODE)

(TAX IDENTIFICATION OR
SOCIAL SECURITY NUMBER)
(SEE IRS FORM W-9 HEREIN)

PLEASE SIGN HERE

(TO BE COMPLETED BY ALL TENDERING HOLDERS REGARDLESS OF WHETHER NOTES ARE BEING PHYSICALLY DELIVERED HEREWITH)

By completing, executing and delivering this Letter of Transmittal, the undersigned hereby tenders the principal amount of the Notes listed in the box above labeled "Description of Notes" under the column heading "Principal Amount Tendered" (or, if nothing is indicated therein, with respect to the entire aggregate principal amount represented by the Notes described in such box).

This Letter of Transmittal must be signed by the Holder(s) exactly as its name(s) appear(s) on certificate(s) representing Notes, or if tendered by a participant in DTC, exactly as such participant's name appears on a Note position listing as the owner of Notes. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, please set forth full title and see Instruction 5.

SIGNATURE(S) OF REGISTERED HOLDER(S) OR AUTHORIZED SIGNATORY
(SEE GUARANTEE REQUIREMENT BELOW)

Dated: _____

Name(s): _____

(PLEASE PRINT)

Capacity: _____

Address: _____

(INCLUDING ZIP CODE)

Area Code and Telephone Number: _____

Tax Identification or Social Security No.: _____

(COMPLETE ACCOMPANYING IRS FORM W-9)

MEDALLION SIGNATURE GUARANTEE
(IF REQUIRED—SEE INSTRUCTIONS 1 AND 5)

Authorized Signature: _____

Name of Firm: _____

INSTRUCTIONS
FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. *Signature Guarantees.* Signatures on this Letter of Transmittal must be guaranteed by a Medallion Signature Guarantor, unless the Notes are tendered (i) by the registered Holder of such Notes, or by a participant in DTC whose name appears on a Note position listing as the owner of such Notes, and that Holder has not completed either of the boxes entitled “A. Special Issuance/Delivery Instructions” or “B. Special Payment Instructions” on this Letter of Transmittal or (ii) for the account of an Eligible Institution. If the Notes are registered in the name of a person other than the signer of this Letter of Transmittal, or if certificates for unpurchased Notes are to be issued to a person other than the registered Holder, the signatures on this Letter of Transmittal accompanying the tendered Notes must be guaranteed by a Medallion Signature Guarantor as described above. See Instruction 5.

2. *Delivery of Letter of Transmittal and Notes.* This Letter of Transmittal is to be completed by Holders if:

- certificates for tendered Notes are to be physically delivered to the Depository; or
- tender of Notes is to be made by book-entry transfer to the Depository’s account at DTC pursuant to the procedures for book-entry transfer set forth under the caption “Terms of the Offer—Procedure For Tendering Notes” in the Offer to Purchase, and instructions are not being transmitted through ATOP.

All physically delivered Notes, or a confirmation of a book-entry transfer into the Depository’s account at DTC of all Notes delivered electronically, as well as a properly completed and duly executed Letter of Transmittal (or a facsimile thereof) and any other documents required by this Letter of Transmittal, must be received by the Depository at its address set forth herein on or before the expiration date (in order to receive the purchase price). DELIVERY OF DOCUMENTS TO DTC DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY. DELIVERY WILL BE DEEMED MADE ONLY WHEN DOCUMENTS ARE ACTUALLY RECEIVED BY THE DEPOSITARY.

The method of delivery of this Letter of Transmittal, certificates for Notes and all other required documents, including delivery through DTC and any acceptance or Agent’s Message delivered through ATOP, is at the election and risk of the tendering Holder. If a Holder chooses to deliver by mail, the recommended method is by registered mail with return receipt requested, properly insured. In all cases, sufficient time should be allowed to ensure timely delivery to the Depository.

No alternative, conditional or contingent tenders will be accepted. All tendering Holders, by execution of this Letter of Transmittal, or a facsimile hereof, waive any right to receive any notice of the acceptance of their Notes for payment.

3. *Inadequate Space.* If the space provided in this Letter of Transmittal is inadequate, the certificate numbers and/or the principal amount represented by Notes should be listed on a separate signed schedule attached to this Letter of Transmittal.

4. *Partial Tenders.* (Not applicable to Holders who tender by book-entry transfer.) Tenders of Notes will be accepted only in integral multiples of \$1,000 principal amount. If Holders wish to tender with respect to less than the entire principal amount of any Notes submitted, Holders must fill in the principal amount that is to be tendered in the columns entitled “Principal Amount Tendered.” In the case of a partial tender of Notes, as soon as practicable after the Expiration Date, new certificates for the remainder of the Notes that were evidenced by such Holder’s old certificates will be sent to such Holder, unless otherwise provided in the appropriate box of this Letter of Transmittal. The entire principal amount that is represented by the Notes delivered to the Depository will be deemed to have been tendered, unless otherwise indicated.

5. *Signature on Letter of Transmittal, Instruments of Transfer and Endorsements.* If this Letter of Transmittal is signed by the registered Holders of the Notes tendered hereby the signatures must correspond with

the name(s) as written on the face of the certificate(s) without alteration, enlargement or any change whatsoever. If this Letter of Transmittal is signed by a participant in DTC whose name is shown as the owner of the Notes tendered hereby, the signature must correspond with the name shown on the Note position listing as the owner of the Notes.

If any of the Notes tendered hereby are registered in the name of two or more Holders, all such Holders must sign this Letter of Transmittal. If any of the Notes tendered hereby are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal or any Note or instrument of transfer is signed by a trustee, executor, administrator, guardian, attorney-in-fact, agent, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to Quantum of such person's authority to so act must be submitted.

When this Letter of Transmittal is signed by the registered Holders of the Notes listed and transmitted hereby, no endorsements of Notes or separate instruments of transfer are required unless payment is to be made, or Notes not tendered or purchased are to be issued, to a person other than the registered Holders, in which case signatures on such Notes or instruments of transfer must be guaranteed by a Medallion Signature Guarantor.

If this Letter of Transmittal is signed other than by the registered Holders of the Notes listed, the Notes must be endorsed or accompanied by appropriate instruments of transfer entitling the undersigned to tender the Notes on behalf of such registered Holders, in any case signed exactly as the name or names of the registered Holders appear on the Notes, with the signatures on the certificates or instruments of transfer guaranteed by a Medallion Signature Guarantor, unless the signature is that of an Eligible Institution.

6. *Special Issuance and Delivery Instructions.* If a check and/or certificates for Notes representing principal amounts not tendered or not accepted for payment are to be issued in the name of a person other than the signer of this Letter of Transmittal, or if a check is to be sent and/or such Notes are to be returned to someone other than the signer of this Letter of Transmittal or to an address other than that shown above, the appropriate "A. Special Issuance/Delivery Instructions" or "B. Special Payment Instructions" box on this Letter of Transmittal should be completed. All Notes tendered by book-entry transfer and not accepted for payment will be returned by crediting the account at DTC designated above as the account for which such Notes were delivered.

7. *Transfer Taxes.* Except as set forth in this Instruction 7, Quantum will pay or cause to be paid any transfer taxes with respect to the transfer and sale of Notes to Quantum, or to Quantum's order, pursuant to the Offer. If payment is to be made to, or if Notes not tendered or purchased are to be registered in the name of, any persons other than the registered owners, or if tendered Notes are registered in the name of any persons other than the persons signing this Letter of Transmittal, the amount of any transfer taxes (whether imposed on the registered Holder or such other person) payable on account of the transfer to such other person will not be Quantum's responsibility and will be deducted from the payment unless satisfactory evidence of the payment of such taxes or exemption therefrom is submitted.

8. *Waiver of Conditions.* The conditions of the Offer are for the sole benefit of Quantum. The conditions may be asserted by Quantum regardless of the circumstances, including any action or inaction by Quantum, giving rise to such condition or may be waived by Quantum in whole or in part at any time and from time to time in its sole discretion prior to the Expiration Date. The failure of Quantum at any time to exercise any of its rights will not be deemed a waiver of any other right and each right will be deemed an ongoing right which may be asserted at any time and from time to time.

9. *IRS Form W-9.* Each tendering Holder must either (i) provide the Depository with a correct taxpayer identification number ("TIN"), generally the Holder's social security or federal employer identification number,

and with certain other information, on Internal Revenue Service (“IRS”) Form W-9, which is provided herein, and certify, under penalty of perjury, that such TIN is correct, such Holder is not subject to backup withholding and such Holder is a United States person or (ii) establish another basis for exemption from backup withholding. Certain Holders (including, among others, all corporations and certain foreign individuals) are not subject to backup withholding and reporting requirements. A foreign person (including a foreign corporation) may qualify as an exempt recipient by submitting to the Depository a properly completed IRS Form W-8, signed under penalties of perjury, attesting to that Holder’s exempt status. A Form W-8 can be obtained from the Depository. See the enclosed IRS Form W-9 for additional instructions.

10. *Requests for Assistance or Additional Copies.* Any questions or requests for assistance or additional copies of the Offer to Purchase or this Letter of Transmittal may be directed to the Dealer Manager or the Information Agent at their respective telephone numbers set forth below. A Holder may also contact such Holder’s broker, dealer, commercial bank or trust company or nominee for assistance concerning the Offer.

IMPORTANT: This Letter of Transmittal, or a facsimile hereof, together with Notes and all other required documents, must be received by the Depository on or before the Expiration Date in order for Holders to receive the purchase price.

IMPORTANT TAX INFORMATION

Under U.S. federal income tax law, a Holder whose tendered Notes are accepted for payment is generally required to provide the Depository with such Holder's correct TIN on IRS Form W-9 below or otherwise establish a basis for exemption from backup withholding. A TIN is generally an individual Holder's social security number or a Holder's employer identification number. If the Depository is not provided with the correct TIN, the Holder may be subject to a \$50 penalty imposed by the IRS. More serious penalties may be imposed for providing false information, which, if willfully done, may result in fines and/or imprisonment. In addition, any payment made to a Holder with respect to Notes purchased pursuant to the Offer may be subject to U.S. backup withholding tax (currently set at 28% of the payment). If a Holder is required to provide a TIN but does not have the TIN, the Holder should consult its own tax advisor regarding how to obtain a TIN. If the Depository is not provided with a required TIN by such Holder by the time of the payment the U.S. backup withholding tax may apply.

U.S. backup withholding is not an additional tax. Rather, the U.S. federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained provided that the required information is timely furnished to the IRS.

Certain Holders (including, among others, corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. Foreign Holders must establish their status as exempt recipients from backup withholding and can do so by submitting to the Depository a properly completed IRS Form W-8 (available from the Depository), signed, under penalties of perjury, attesting to such Holder's exempt foreign status.

Holders are urged to consult their own tax advisors to determine whether they are exempt from backup withholding or other withholding taxes.

WHAT NUMBER TO GIVE THE DEPOSITARY

The Holder is required to give the Depository the TIN of the record owner of the Notes. If the Notes are registered in more than one name or are not registered in the name of the actual owner, consult the enclosed IRS Form W-9 for additional guidance on which number to report.

Any questions or requests for assistance or for additional copies of the Offer to Purchase or this Letter of Transmittal may be directed to the Dealer Manager or the Information Agent as set forth below. A Holder may also contact such Holder's broker, dealer, commercial bank, trust company or other nominee for assistance concerning the offer.

The Information Agent for the Offer is:

Global Bondholder Services Corporation

65 Broadway—Suite 723
New York, New York 10006
Attn: Corporate Actions

Banks and Brokers call: (212) 430-3774

Toll free (866) 488-1500

The Dealer Manager for the Offer is:

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, New York 10010
(212) 325-2000
Attention: Bill Brenton

The Depositary for the Offer is:

Global Bondholder Services Corporation

By facsimile:
(For Eligible Institutions only):
(212) 430-3775

Confirmation:
(212) 430-3774

By Mail:
65 Broadway—Suite 723
New York, NY 10006

By Overnight Courier:
65 Broadway—Suite 723
New York, NY 10006

By Hand:
65 Broadway—Suite 723
New York, NY 10006

**INSTRUCTIONS FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9**

Instructions for Determining the Proper Identification Number for the Payee (You) to Give the Payer.

Social Security numbers have nine digits separated by two hyphens: e.g., 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: e.g., 00-0000000. The table below will help determine the number to give the payer.

| For this type of account: | Give the SOCIAL SECURITY number of | For this type of account: | Give the EMPLOYER IDENTIFICATION number of |
|---|--|---|---|
| 1. An individual's account | The individual | 6. Sole proprietorship account | The owner(3) |
| 2. Two or more individuals (joint account) | The actual owner of the account or, if combined funds, any one of the individuals(1) | 7. A valid trust, estate, or pension trust | The legal entity(4) |
| 3. Custodian account of a minor (Uniform Gift to Minors Act) | The minor(2) | 8. Corporate account | The corporation |
| 4. a. The usual revocable savings trust account (grantor is also trustee) | The grantor-trustee(1) | 9. Partnership account held in the name of the business | The partnership |
| b. So-called trust account that is not a legal or valid trust under State law | The actual owner(1) | 10. Association, club, religious, charitable, educational or other tax-exempt organization | The organization |
| 5. Sole proprietorship account | The owner(3) | 11. A broker or registered nominee | The broker or nominee |
| | | 12. Account with the Department of Agriculture in the name of a public entity (such as a State or local government, school district, or prison) that receives agricultural program payments | The public entity |

- (1) List first and circle the name of the person whose number you furnish.
- (2) Circle the minor's name and furnish the minor's social security number.
- (3) You must show your individual name but, you may also enter your business or "doing business as" name. You may use either your social security number or your employer identification number (if you have one).
- (4) List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the taxpayer identification number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

Note: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

Obtaining a Number

If you don't have a taxpayer identification number or you don't know your number, obtain Form SS-5, Application for a Social Security Number Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service (IRS) and apply for a number.

Definition of United States Person

For United States federal income tax purposes, you are considered a United States person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Treasury Regulations Section 301.7701-7).

Payees Exempt From Backup Withholding

Payees specifically exempted from backup withholding on ALL payments include the following:

- A corporation.
- A financial institution.
- An organization exempt from tax under Section 501(a), or an individual retirement plan.
- The United States or any agency or instrumentality thereof.
- A State, the District of Columbia, a possession of the United States, or any subdivision or instrumentality thereof.
- A foreign government, a political subdivision of a foreign government, or any agency or instrumentality thereof.
- An international organization or any agency, or instrumentality thereof.
- A registered dealer in securities or commodities registered in the United States or a possession of the United States.
- A real estate investment trust.
- A common trust fund operated by a bank under Section 584(a).
- A futures commission merchant registered with the Commodity Futures Trading Commission.
- An entity registered at all times under the investment Company Act of 1940.
- A foreign central bank of issue.

Exempt payees described above should file Form W-9 to avoid possible erroneous backup withholding. FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE EXEMPT ON THE FACE OF THE FORM, AND RETURN IT TO THE PAYER. IF THE PAYMENTS ARE INTEREST, DIVIDENDS, OR PATRONAGE DIVIDENDS, ALSO SIGN AND DATE THE FORM.

Certain payments other than interest dividends, and patronage dividends, that are not subject to information reporting are also not subject to backup withholding. For details, see the regulations under sections 6041, 6041A(a), 6045, and 6050A.

Privacy Act Notice. Section 6109 requires most recipients of dividend, interest, or other payments to give taxpayer identification numbers to payers who must report the payments to IRS. IRS uses the numbers for identification purposes. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

Penalties

(1) PENALTY FOR FAILURE TO FURNISH TAXPAYER IDENTIFICATION NUMBER. If you fail to furnish your taxpayer identification number to a payer, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) CIVIL PENALTY FOR FALSE INFORMATION WITH RESPECT TO WITHHOLDING. If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of \$500.

(3) CRIMINAL PENALTY FOR FALSIFYING INFORMATION. Falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.

Form **W-9**
(Rev. October 2007)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not
send to the IRS.

Name (as shown on your income tax return)

Business name, if different from above

Check appropriate box: Individual/
Sole proprietor Corporation Partnership

Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) > _____

Exempt
payee

Other (see instructions) >

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number

or

Employer identification number

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign
Here Signature of
U.S. person >

Date >

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). Check the "Limited liability company" box only and enter the appropriate code for the tax classification ("D" for disregarded entity, "C" for corporation, "P" for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

For an LLC classified as a partnership or a corporation, enter the LLC's name on the "Name" line and any business, trade, or DBA name on the "Business name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
 2. The United States or any of its agencies or instrumentalities,
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
 7. A foreign central bank of issue,
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
 10. A real estate investment trust,
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
 12. A common trust fund operated by a bank under section 584(a),
 13. A financial institution,
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

| IF the payment is for . . . | THEN the payment is exempt for . . . |
|--|--|
| Interest and dividend payments | All exempt payees except for 9 |
| Broker transactions | Exempt payees 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker |
| Barter exchange transactions and patronage dividends | Exempt recipients 1 through 5 |
| Payments over \$600 required to be reported and direct sales over \$5,000 ¹ | Generally, exempt payees 1 through 7 ² |

¹See Form 1099-MISC, Miscellaneous Income, and its instructions.

²However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt payees, see *Exempt Payee* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number to Give the Requester

| For this type of account: | Give name and SSN of: |
|---|---|
| 1. Individual | The individual |
| 2. Two or more individuals (joint account) | The actual owner of the account or, if combined funds, the first individual on the account ¹ |
| 3. Custodian account of a minor (Uniform Gift to Minors Act) | The minor ² |
| 4. a. The usual revocable savings trust (grantor is also trustee) | The grantor-trustee ¹ |
| b. So-called trust account that is not a legal or valid trust under state law | The actual owner ¹ |
| 5. Sole proprietorship or disregarded entity owned by an individual | The owner ³ |

| For this type of account: | Give name and EIN of: |
|---|---------------------------|
| 6. Disregarded entity not owned by an individual | The owner |
| 7. A valid trust, estate, or pension trust | Legal entity ⁴ |
| 8. Corporate or LLC electing corporate status on Form 8832 | The corporation |
| 9. Association, club, religious, charitable, educational, or other tax-exempt organization | The organization |
| 10. Partnership or multi-member LLC | The partnership |
| 11. A broker or registered nominee | The broker or nominee |
| 12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments | The public entity |

¹List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

²Circle the minor's name and furnish the minor's SSN.

³You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.consumer.gov/idtheft or 1-877-IDTHEFT(438-4338).

Visit the IRS website at www.irs.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

PERSONAL AND CONFIDENTIAL

March 27, 2009

Quantum Corporation
1650 Technology Drive, Suite 800
San Jose, CA 95110

Attn: Jon W. Gacek, Executive Vice President and Chief Financial Officer

Dear Jon:

You have informed EMC Corporation (together with its subsidiaries, "**EMC**") that Quantum Corporation (the "**Company**") intends to refinance up to \$142 million aggregate principal amount of its 4.375% convertible subordinated notes due August 1, 2010 (the "**Existing Notes**"). You have also informed EMC that such refinancing is permitted under the Company's Senior Secured Credit Agreement dated as of July 12, 2007, among the Company, as the borrower, Credit Suisse, as the administrative agent and collateral agent, and the lenders party thereto (the "**Existing Senior Secured Credit Agreement**") so long as the refinancing is accomplished with the proceeds of Permitted Refinancing Indebtedness (as defined in the Existing Senior Secured Credit Agreement). In connection with such refinancing, you have requested that EMC provide a term loan in the principal amount of up to \$100 million.

We are pleased to confirm the commitment of EMC International Company, an entity organized under the laws of the Republic of Ireland having its principal place of business in Bermuda and an indirect wholly owned subsidiary of EMC Corporation ("**EMC International**"), to establish a term loan credit facility of up to \$100 million (the "**Term Facility**") on the terms and conditions set forth herein and on Annexes A, B and C hereto (collectively, the "**Commitment Letter**"). The proceeds of the Term Facility will be used exclusively to refinance the Existing Notes.

EMC International's commitment is subject, in its discretion, to the following conditions precedent: (i) there shall not have been, since the date of the most recent audited financial statements furnished by the Company to EMC, any material adverse change, or any development involving a prospective material adverse change, in or affecting the business, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, (ii) the negotiation, execution and delivery of appropriate loan documents relating to the Term Facility in form and substance mutually acceptable to both EMC and the Company including, without limitation, a credit agreement, guaranties, opinions of counsel customary for transactions of this type and other related definitive documents (collectively, the "**Loan Documents**"), to be based upon and substantially consistent with the terms set forth in this Commitment Letter, (iii) EMC's completion of, and satisfaction with the results of its due diligence with respect to the business, management, prospects, financial position, stockholders' equity or results of operations of the Company and its subsidiaries and the tax, accounting, legal, regulatory and other issues relevant to the Company; provided that such diligence shall be completed on or before April 15, 2009, and (iv) EMC not becoming aware after the date hereof of any new or inconsistent information or other matter not previously disclosed to us relating to the Company or the transactions contemplated by this Commitment Letter which EMC, in its reasonable judgment, deems material and adverse relative to the information or other matters disclosed to EMC prior to the date hereof.

The terms of this Commitment Letter are intended as an outline of certain of the material terms of the Term Facility, but do not include all of the terms, conditions, covenants, representations, warranties, default clauses and other provisions that will be contained in the Loan Documents. The Loan Documents shall include, in addition, provisions that are customary or typical for financings of this type. It is our intention to structure the Loan Documents so that the terms and conditions thereof allow the indebtedness thereunder to qualify as Permitted Refinancing Indebtedness.

The Company represents and covenants that (i) all information (other than projections) provided directly or indirectly by the Company to EMC in connection with the transactions contemplated hereunder is and will be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not misleading and (ii) the projections that have been or will be made available to EMC by the Company have been and will be prepared in good faith based upon assumptions that are believed by the Company to be reasonable at the time made. You agree that if at any time prior to the Closing Date (as defined in Annex B), any of the representations in the preceding sentence would be incorrect in any material respect if the information and projections were being furnished, and such representations were being made, at such time, then you will promptly supplement, or cause to be supplemented, the information and projections so that such representations will be correct in all material respects under those circumstances.

The Company agrees to the provisions with respect to the indemnity and other matters set forth in Annex A, which is incorporated by reference into this Commitment Letter.

This Commitment Letter shall not be assignable by you without the prior written consent of EMC (and any purported assignment without such consent shall be null and void), is intended to be solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto. EMC International may assign its commitment hereunder, in whole or in part, to any of its affiliates, and upon such assignment, EMC International shall be released from the portion of its commitment hereunder that has been assigned. This Commitment Letter (including the Annexes hereto) may not be amended or any term or provision hereof or thereof waived or modified except by an instrument in writing signed by each of the parties hereto, and any term or provision hereof or thereof may be amended or waived only by a written agreement executed and delivered by all parties hereto.

EMC hereby notifies the Company that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "**Patriot Act**"), it may be required to obtain, verify and record information that identifies the Company, which information includes the name and address of the Company and other information that will allow EMC to identify the Company in accordance with the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act and is effective for EMC.

Please note that this Commitment Letter and any written or oral advice provided by EMC in connection with this arrangement are exclusively for the information of the Board of Directors and senior management of the Company and may not be disclosed to any third party or circulated or referred to publicly without our prior written consent except, after providing written notice to EMC, pursuant to a subpoena or order issued by a court of competent jurisdiction or by a judicial, administrative or legislative body or committee. In addition, we hereby consent to your disclosure of (i) this Commitment Letter and such advice to your officers, directors, agents and advisors who are directly involved in the consideration of the Term Facility to the extent such persons agree to hold the same in confidence and (ii) this Commitment Letter as required by applicable law (including the description of its terms in the offer to refinance the Existing Notes in a tender offer and the filing of this Commitment Letter as an exhibit to the Company's Schedule TO for the tender offer) or compulsory legal process (in which case you agree to inform us promptly thereof). The provisions of this paragraph shall survive any termination or completion of the arrangement provided by this Commitment Letter.

EMC International's commitment hereunder shall terminate upon the first to occur of (i) a material breach by the Company under this Commitment Letter and (ii) May 31, 2009 unless the closing of the Term Facility, on the terms and subject to the conditions contained herein, shall have been consummated on or before such date.

In addition, please note that EMC and its affiliates do not provide accounting, tax or legal advice.

This Commitment Letter may be executed in any number of counterparts, each of which when executed shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this Commitment Letter by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. This Commitment Letter is the only agreement that has been entered into among the parties hereto with respect to the Term Facility and sets forth the entire understanding of the parties with respect thereto and supersedes any prior written or oral agreements among the parties hereto with respect to the Term Facility.

[Remainder of page intentionally left blank]

Please confirm that the foregoing is in accordance with your understanding by signing and returning to EMC Corporation the enclosed copy of this Commitment Letter on or before the close of business on March 27, 2009, whereupon this Commitment Letter shall become a binding agreement between us. If not signed and returned as described in the preceding sentence by such date, this offer will terminate on such date. We look forward to working with you on this assignment.

Very truly yours,

EMC International Company

By: /s/ PAUL T. DACIER
Name: Paul T. Dacier
Title: Director

ACCEPTED AS OF THE DATE ABOVE:

QUANTUM CORPORATION

By: /s/ JON W. GACEK
Name: Jon W. Gacek
Title: Executive Vice President and Chief Financial
Officer

Annex A

*In the event that EMC becomes involved in any capacity in any action, proceeding or investigation brought by or against any person, including stockholders of the Company, in connection with or as a result of either the arrangement contemplated by this Commitment Letter or any matter referred to herein (the “**Commitment Letter**”), the Company periodically will reimburse EMC for its legal and other expenses (including the cost of any investigation and preparation) incurred in connection therewith. The Company also will indemnify and hold EMC harmless against any and all losses, claims, damages or liabilities to any such person in connection with or as a result of either such arrangement or any matter referred to in the Commitment Letter, except to the extent that such have been found by a final, non-appealable judgment of a court that any such loss, claim, damage or liability results from the gross negligence or bad faith of EMC in performing the services that are the subject of the Commitment Letter. If for any reason the foregoing indemnification is unavailable to EMC or insufficient to hold it harmless, then the Company shall contribute to the amount paid or payable by EMC as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative economic interests of the Company and its stockholders on the one hand and EMC on the other hand in the matters contemplated by the Commitment Letter as well as the relative fault of the Company and EMC with respect to such loss, claim, damage or liability and any other relevant equitable considerations. The reimbursement, indemnity and contribution obligations of the Company under this paragraph shall be in addition to any liability which the Company may otherwise have, shall extend upon the same terms and conditions to any affiliate of EMC and the directors, agents, employees and controlling persons (if any), as the case may be, of EMC and any such affiliate, and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company, EMC, any such affiliate and any such person. The Company also agrees that neither any indemnified party nor any of such affiliates, directors, agents, employees or controlling persons shall have any liability to the Company or any person asserting claims on behalf of or in right of the Company or any other person in connection with or as a result of either this arrangement or any matter referred to in the Commitment Letter except to the extent that any losses, claims, damages, liabilities or expenses incurred by the Company unless such have been found by a final, non-appealable judgment of a court to have resulted from the gross negligence or bad faith of such indemnified party in performing the services that are the subject of the Commitment Letter; provided, however, that in no event shall such indemnified party or such other parties have any liability for any indirect, consequential or punitive damages in connection with or as a result of such indemnified party's or such other parties' activities related to the Commitment Letter. **Any right to trial by jury with respect to any action or proceeding arising in connection with or as a result of either this arrangement or any matter referred to in the Commitment Letters is hereby waived by the parties hereto. The provisions of this Annex A shall survive any termination or completion of the arrangement provided by the Commitment Letter, and this Commitment Letter shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflicts of laws that would result in the application of the laws of another jurisdiction. To the fullest extent permitted by applicable law, the Company hereby irrevocably submits to the non-exclusive jurisdiction of any New York State court or Federal court sitting in the County of New York in respect of any suit, action or proceeding arising in connection with or as a result of either this arrangement or any matter referred to in the Commitment Letter and irrevocably agree that all claims in respect of such suit, action or proceeding may be heard and determined in any such court.***

Annex B

Quantum Corporation

Summary of Terms and Conditions of the Term Facility

This Summary of Terms and Conditions outlines certain terms of the Term Facility referred to in the Commitment Letter, of which this Annex B is a part. Certain capitalized terms used herein are defined in the Commitment Letter.

| | |
|---|---|
| Borrower: | Quantum Corporation, a Delaware corporation (the “ Company ”). |
| Guarantors: | None. |
| Use of Proceeds: | Exclusively to refinance up to \$142 million aggregate principal amount of the Company’s existing 4.375% Convertible Subordinated Notes Due 2010 (the “ Existing Notes ”) issued on July 20, 2003. |
| Lender: | EMC International Company, an entity organized under the laws of the Republic of Ireland having its principal place of business in Bermuda, or its designee (the “ Lender ”). |
| Amount and Funding of Term Facility: | Up to \$100,000,000 Term Loan Facility, available in a single draw on the Closing Date (the “ Term Facility ”). |
| Maturity Date: | The earliest to occur of (i) September 30, 2014, (ii) if there shall have occurred (A) any replacement, refunding (but not including any repayment in full of the Secured Obligations as described in clause (iii) below) or refinancing of the Company’s Senior Secured Credit Agreement dated as of July 12, 2007, among the Company, as the borrower, Credit Suisse, as the administrative agent and collateral agent, and the lenders party thereto (the “ Existing Senior Secured Credit Agreement ”), (B) any amendment or restatement increasing the interest rate or yield on the loans under the Existing Senior Credit Agreement by more than 2.00% or (C) any amendment or restatement having the effect of any of the foregoing or entered into in connection with any transfer of a substantial portion of the commitments or loans under the Existing Senior Credit Agreement in one transaction or a series of related transactions, the later of one day after such occurrence or August 1, 2010 or (iii) if the Secured Obligations (as defined in the Existing Senior Secured Credit Agreement) shall have been paid in full, the later of one day after such payment in full or August 1, 2010 (the “ Maturity Date ”); provided, however, that if the Maturity Date occurs pursuant to clause (iii) hereof, the Company may elect in its discretion, provided that no default under the Term Facility then exists, and subject to the representations and warranties set forth in the Loan Documents being true and correct as of such date and other customary closing conditions, instead of paying all amounts then due in cash, to issue Exchange Notes (having the terms described herein) in a principal amount equal to all amounts due under the Term Facility. |
| Closing Date: | The date on which all conditions to closing, including, without limitation, the conditions precedent listed on Annex C attached to the Commitment Letter, shall have been satisfied (the “ Closing Date ”); provided that the Lender shall have no obligation to close on the Term Facility if the Closing Date shall not have occurred prior to May 31, 2009. |

| | |
|--|--|
| Interest Rate: | All amounts outstanding under the Term Facility shall bear interest at 12% per annum payable quarterly in arrears and computed on the basis of a 365/6-day year. At any time an event of default under the Term Facility has occurred and is continuing, amounts outstanding under the Term Facility shall bear interest at 14% per annum. |
| Ranking: | The obligations under the Loan Documents will constitute senior subordinated indebtedness of the Company, junior to the “Obligations” under the Existing Senior Secured Credit Agreement and senior to all other indebtedness of the Company. The obligations under the Loan Documents will not constitute “Designated Senior Indebtedness” (or any comparable term) with respect to any subordinated indebtedness of the Company. |
| Voluntary Prepayments: | To the extent not prohibited by the Existing Senior Secured Credit Agreement, the Company may, at its option, prepay the loan in whole at any time or in part from time to time, each such prepayment to be accompanied by all accrued and unpaid interest thereon. |
| Mandatory Prepayments: | To the extent not prohibited by the Existing Senior Secured Credit Agreement, in the event that a Fundamental Change (as defined in the Existing Notes indenture) shall occur at any time prior to the Maturity Date, the holders of any outstanding loans under the Term Facility shall have the right to require the Company to purchase for cash any such outstanding loans under the Term Facility at a price equal to the outstanding principal amount plus accrued and unpaid interest thereon. |
| Security: | The Term Facility will initially not be secured. |
| Representations and Warranties: | The Term Facility will contain such customary and appropriate representations and warranties by the Company as are usual and customary for financings of this kind and as are mutually acceptable to both the Lender and the Company. |
| Covenants: | The Term Facility will initially contain affirmative and negative covenants substantially the same as those in the Existing Notes indenture. |
| Events of Default: | The Term Facility will initially include events of default (and, as appropriate, grace periods) substantially the same as those in the Existing Notes indenture. |
| Terms of Exchange Notes: | In the event the Company issues Exchange Notes pursuant to the terms hereof (the “ Exchange Notes ”), such Exchange Notes shall have terms and conditions that are substantially the same as those set forth in the Term Facility, except for the following terms and conditions which shall be substantially the same as those set forth in the Existing Senior Secured Credit Agreement (i) a first priority security interest in all assets of the Company, including without limitation, all personal, real and mixed property of the Company, and a first priority security interest in 100% of the capital stock of each subsidiary of the Company and all intercompany debt, (ii) affirmative and negative covenants including those relating to Liens, Indebtedness, Investments, Fundamental Changes, Dispositions, Restricted Payments, changes in the nature of the Company’s business, transactions with Affiliates, burdensome agreements, Capital Expenditures, changes to organizational documents, accounting changes |

and prepayments of Indebtedness, but specifically excluding financial covenants and (iii) events of default including (a) payment defaults, (b) representations and warranties not true and correct, (c) covenant defaults, (d) cross-default to other material indebtedness, (e) bankruptcy of the Company or any of its subsidiaries, (f) defaults relating to guaranties and security agreements, (g) judgment defaults, (h) change of control or (i) loss of any material license, consent, registration or approval required under applicable law for the Company or any of its subsidiaries to operate (with customary cure periods), which is reasonably likely to have a material adverse effect. Capitalized terms in this term having the meanings assigned in the Existing Senior Credit Agreement.

Conditions to Closing:

The obligation of the Lender to make, or cause one of their respective affiliates to make, loans under the Term Facility will be subject to closing conditions deemed appropriate by the Lender for financings of this kind generally and for this transaction in particular, including, without limitation, the conditions precedent listed on Annex C attached to the Commitment Letter.

Assignments and Participations:

The Lender may assign all or a portion of its interests, rights and obligations under the Term Facility to any of its affiliates.

Taxes:

The Term Facility will provide that all payments are to be made free and clear of any taxes (other than franchise taxes and taxes on overall net income), imposts, assessments, withholdings or other deductions whatsoever.

Indemnity:

The Term Facility will provide customary and appropriate provisions relating to indemnity and related matters in a form reasonably satisfactory to the Lender.

Governing Law and Jurisdiction:

The Term Facility will provide that the Company will submit to the non-exclusive jurisdiction and venue of the federal and state courts of the State of New York and shall waive any right to trial by jury. New York law shall govern the documents related to the Term Facility.

Other Agreements:

Immediately prior to the entry into the definitive agreement with respect to the Term Facility, (i) the Third Amended and Restated Embedded Software License and Distribution Agreement by and between the Company and EMC Corporation (the “**OEM Agreement**”) shall remain in full force and effect and (ii) the Company and EMC Corporation will enter into a warrant agreement as contemplated by the OEM Agreement (the “**Warrant Agreement**”), on terms and conditions that are mutually acceptable to Lender and the Company.

The foregoing is intended to summarize certain basic terms of the Term Facility. It is not intended to be a definitive list of all of the requirements of the Lender in connection with the Term Facility.

Annex C
Quantum Corporation
Summary of Conditions Precedent to the Facilities

This Summary of Conditions Precedent outlines certain of the conditions precedent to the Term Facility referred to in the Commitment Letter, of which this Annex C is a part. Certain capitalized terms used herein are defined in the Commitment Letter and Annex B thereto.

A. CONDITIONS PRECEDENT TO THE TERM FACILITY

1. *Discharge of Existing Notes.* Concurrently with the funding of the Term Facility, indebtedness of the Company and its subsidiaries under such number of the Existing Notes that have an aggregate face value of \$135 million shall have been repurchased and cancelled and all obligations of the Company to the holders thereof shall have been satisfied.
2. *Consents and Approvals.* All governmental, shareholder and third-party approvals and consents which the Lender determines in its discretion to be necessary, desirable or advisable, in connection with the transactions contemplated by the Commitment Letter and the financing described therein shall have been received on terms and in a form satisfactory to the Lender and shall be in full force and effect, and all applicable waiting periods shall have expired without any action being taken by any applicable authority.
3. *Litigation, etc.* There shall not exist any action, suit, investigation, litigation or proceeding pending or threatened in any court or before any arbitrator or governmental authority (i) challenging or seeking damages or other relief in connection with the transactions contemplated hereby, (ii) seeking to enjoin or prevent the transactions contemplated hereby, (iii) that, in the opinion of the Lender, would otherwise materially and adversely affect any of the transactions contemplated hereby or (iv) that has or could have a material adverse effect on the Company or its subsidiaries or any of the transactions contemplated hereby.
4. *Material Adverse Effect.* There shall not have been, since the date of the most recent audited financial statements furnished by the Company to the Lender, any material adverse change, or any development involving a prospective material adverse change, in or affecting the business, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries.
5. *Funding Notice.* The Lender shall have received not less than three business days' prior written notice of the Closing Date.
6. *Customary Closing Documents.* All documents required to be delivered under the definitive financing documents, including customary legal opinions, corporate records, documents from public officials and officers' certificates (including as to the accuracy of the representations and warranties of the Company and the performance of all agreements and covenants set forth in the Loan Documents) and other information (including other information and documentation required by customer identification programs pursuant to the Patriot Act), shall have been delivered to the Lender.
7. *Solvency.* The Lenders shall have received a certificate from the chief financial officer of the Company, in form and substance satisfactory to the Lender, supporting the conclusions that after giving effect to the transactions contemplated hereby, the Company will not be insolvent or be rendered insolvent by the indebtedness incurred in connection therewith, or be left with unreasonably small capital with which to engage in its businesses, or have incurred debts beyond its ability to pay such debts as they mature.
8. *Documentation.* The Company shall have delivered to the Lender executed copies of the Loan Documents in form and substance mutually acceptable to the Lender and the Company.
9. *Warrant Agreement.* The Company shall have delivered to the Lender an executed copy of the Warrant Agreement.