

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): January 12, 2017

Quantum Corporation

(Exact name of registrant as specified in its charter)

Delaware

1-13449

94-2665054

(State or other jurisdiction of incorporation)

(Commission File No.)

(IRS Employer Identification No.)

224 Airport Parkway, Suite 550, San Jose, California

(Address of principal executive offices)

95110

(Zip Code)

(408) 944-4000

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 2.02. Results of Financial Operations and Financial Condition

On January 12, 2017, Quantum Corporation (“Quantum”) issued a press release announcing preliminary earnings for its third quarter of fiscal2017, a copy of which is attached as Exhibit 99.1 hereto and incorporated by reference.

Item 7.01 Regulation FD Disclosure**Item 8.01 Other Events**

Quantum has prepared an investor presentation (the “Presentation”) that management intends to use from time to time on and after January 12, 2017, in presentations about Quantum’s operations and performance. Quantum may use the Presentation in presentations to current and potential investors, lenders, creditors, vendors, customers, employees and others with an interest in Quantum and its business. The Presentation is furnished as Exhibit 99.2 to this Current Report on Form 8-K and will also be posted in the Investor Relations section of Quantum’s website at www.quantum.com.

The information contained in the Presentation is summary information that should be considered within the context of Quantum’s filings with the Securities and Exchange Commission and other public announcements that Quantum may make by press release or otherwise from time to time. The Presentation speaks as of the date of this Current Report on Form 8-K. While Quantum may elect to update the Presentation in the future or reflect events and circumstances occurring or existing after the date of this Current Report on Form 8-K, Quantum specifically disclaims any obligation to do so.

The information furnished in Item 2.02, Item 7.01, Item 8.01, Exhibit 99.1 and Exhibit 99.2 to this Current Report shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

99.1	Press Release, dated January 12, 2017
99.2	Quantum Investor Presentation, dated January 12, 2017

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

QUANTUM CORPORATION

/s/ SHAWN D. HALL

Shawn D. Hall
Senior Vice President, General Counsel and Secretary

Dated: January 12, 2017

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release, dated January 12, 2017
99.2	Quantum Investor Presentation, dated January 12, 2017



News Release

Contact:

Brad Cohen
Public Relations
Quantum Corp.
+1 (408) 944-4044
brad.cohen@quantum.com

For Release:

Jan. 12, 2017
5:00 a.m. PST

Brinlea Johnson or Allise Furlani
Investor Relations
The Blueshirt Group
+1 (212) 331-8424 or +1 (212) 331-8433
brinlea@blueshirtgroup.com or allise@blueshirtgroup.com

Quantum Announces Positive Preliminary Fiscal Third Quarter 2017 Results

SAN JOSE, Calif. — Jan. 12, 2017 — Quantum Corp. (NYSE: QTM) today announced preliminary results for the fiscal third quarter 2017, ended Dec. 31, 2016 that were above the high end of the previously provided guidance range for both total revenue and profitability. The company currently expects:

- Total revenue of approximately \$133 million, up from \$128 million in the fiscal third quarter 2016¹. For the first three quarters of fiscal 2017 (YTD), total revenue grew 8 percent over the same period in fiscal 2016.
- Scale-out tiered storage revenue² (previously referred to as “scale-out storage revenue”) of approximately \$40 million, an increase of 12 percent and the 22nd consecutive quarter of year-over-year growth. Revenue was up 26 percent YTD over the first nine months of fiscal 2016.
- Total data protection revenue of approximately \$83 million, up \$2 million.
- GAAP operating income of approximately \$8 million to \$9 million and non-GAAP operating income of \$9 million to \$10 million — an increase of \$6 million to \$7 million and \$2 million to \$3 million, respectively.
- GAAP net income of approximately \$6 million to \$7 million, or \$0.02 per diluted share, and non-GAAP net income of \$7 million to \$8 million, or \$0.03 per diluted share — an increase of \$0.02 per diluted share and \$0.01 per diluted share, respectively.

¹ All comparisons are relative to the fiscal third quarter 2016 unless otherwise noted.

² All references to scale-out tiered storage revenue and data protection revenue include related service revenue.

“We’re very pleased with our continued strong performance this fiscal year,” said Jon Gacek, president and CEO of Quantum. “For the third straight quarter, we increased total revenue and profit year-over-year, with growth in both scale-out tiered storage and data protection. In addition, comparing the first nine months of fiscal 2017 to the same period a year earlier, we not only grew scale-out tiered storage 26 percent but also increased branded data protection revenue 7 percent and improved our GAAP and non-GAAP bottom-line results by approximately \$28 million and \$23 million, respectively.

“We ended the quarter with excellent momentum across all product categories, and we start our fiscal fourth quarter with a strong backlog and solid funnel. Therefore, we feel very confident in our ability to deliver year-over-year revenue growth again in the current quarter and exceed our annual revenue and profitability guidance for fiscal 2017.”

Quantum will provide more detailed financial results for the fiscal third quarter and updated guidance for fiscal 2017 in its earnings announcement on Jan. 25, 2017 (see below for conference call information).

Earnings Conference Call and Audio Webcast Notification

Quantum will issue a news release on its fiscal third quarter financial results on Wednesday, Jan. 25, 2017, after the close of the market. The company will also hold a conference call and live audio webcast to discuss these results that same day at 2:00 p.m. PST. Press and industry analysts are invited to attend in listen-only mode.

Dial-in number: +1 (503) 343-6063

Participant passcode: 49870309

Replay number: +1 (404) 537-3406

Replay passcode: 49870309

Replay expiration: Wednesday, Feb. 1, 2017

Webcast site: www.quantum.com/investors

About Quantum

Quantum is a leading expert in scale-out tiered storage, archive and data protection, providing solutions for capturing, sharing and preserving digital assets over the entire data lifecycle. From small businesses to major enterprises, more than 100,000 customers have trusted Quantum to address their most demanding data workflow challenges. Quantum’s end-to-end, tiered storage foundation enables customers to maximize the value of their data by making it accessible whenever and wherever needed, retaining it indefinitely and reducing total cost and complexity. See how at www.quantum.com/customerstories.

###

Quantum and the Quantum logo are registered trademarks of Quantum Corporation and its affiliates in the United States and/or other countries. All other trademarks are the property of their respective owners.

- more -

"Safe Harbor" Statement: This press release contains "forward-looking" statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. Specifically, but without limitation, statements relating to: i) our expected financial results for the fiscal third quarter 2017 and for the first three quarters of fiscal 2017; and ii) our confidence in our ability to deliver year-over-year revenue growth again in the current quarter and exceed our annual revenue and profitability guidance for fiscal 2017, are forward-looking statements within the meaning of the Safe Harbor. All forward-looking statements in this press release are based on information available to Quantum on the date hereof. These statements involve known and unknown risks, uncertainties and other factors that may cause Quantum's actual results to differ materially from those implied by the forward-looking statements. More detailed information about these risk factors are set forth in Quantum's periodic filings with the Securities and Exchange Commission, including, but not limited to, those risks and uncertainties listed in the section entitled "Risk Factors," in Quantum's Annual Report on Form 10-K filed with the Securities and Exchange Commission on June 3, 2016 and in Quantum's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 4, 2016. Quantum expressly disclaims any obligation to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Use of Non-GAAP Financial Measures

Quantum believes that the non-GAAP financial measures disclosed above provide useful and supplemental information to investors regarding its quarterly financial performance. Quantum management and Board of Directors use these non-GAAP financial measures internally to understand, manage and evaluate the company's business results and make operating decisions. For instance, Quantum management often makes decisions regarding staffing, future management priorities and how the company will direct future operating expenses on the basis of non-GAAP financial measures. In addition, compensation of our employees is based in part on the performance of our business based on non-GAAP operating income.

The non-GAAP financial measures used in this press release exclude the impact of the item below for the following reason:

Amortization of Intangible Assets

This includes acquired intangibles such as purchased technology in connection with prior acquisitions. These expenses are not factored into management's evaluation of potential acquisitions or Quantum's performance after completion of the acquisitions because they are not related to Quantum's core operating performance. In addition, the frequency and amount of such charges can vary significantly based on the size and timing of acquisitions and the maturities of the businesses being acquired. Excluding acquisition-related charges from non-GAAP measures provides investors with a basis to compare Quantum against the performance of other companies without the variability caused by purchase accounting.

Share-Based Compensation Expense

Share-based compensation expense relates primarily to equity awards such as stock options and restricted stock units. Share-based compensation is a non-cash expense that varies in amount from period to period and is dependent on market forces that are often beyond Quantum's control. Management believes that non-GAAP measures adjusted for share-based compensation provide investors with a basis to measure Quantum's core performance against the performance of other companies without the variability created by share-based compensation as a result of the variety of equity awards used by other companies and the varying methodologies and assumptions used.

Restructuring Charges

Restructuring charges primarily relate to expenses associated with changes to Quantum's operating structure. Restructuring charges are excluded from non-GAAP financial measures because they are not considered core operating activities. Although Quantum has engaged in various restructuring activities in the past, each has been a discrete event based on a unique set of business objectives. Management believes that it is appropriate to exclude restructuring charges from Quantum's non-GAAP financial measures, as it enhances the ability of investors to compare Quantum's period-over-period operating results from continuing operations.

Proxy Contest and Related Costs

Proxy contest and related costs are expenses incurred to respond to activities and inquiries of VIEX Capital Advisors, LLC, including their proxy solicitation. These costs are not considered core operating activities. Management believes that it is appropriate to exclude these costs in order to provide investors the ability to compare Quantum's period-over-period operating results from continuing operations.

Crossroads Patent Litigation Costs

Crossroads patent litigation costs are expenses incurred to defend ourselves and perform other activities related to a patent infringement lawsuit filed by Crossroads Systems, Inc. These costs are excluded from non-GAAP financial measures because they are not considered core operating activities, and management believes that it is appropriate to exclude these costs in order to provide investors the ability to compare Quantum's period-over-period operating results from continuing operations.

Loss (Gain) on Debt Extinguishment

The loss (gain) on debt extinguishment relates to specific actions undertaken during the third quarter of fiscal 2017. The loss and gain are excluded from non-GAAP financial measures because they are not considered a core operating activity and management believes that it is appropriate to exclude the loss and gain in order to provide investors the ability to compare Quantum's period-over-period results from continuing operations.

Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. They are limited in value because they exclude charges that have a material impact on the company's reported financial results and, therefore, should not be relied upon as the sole financial measures to evaluate the company. The non-GAAP financial measures are meant to supplement, and be viewed in conjunction with, GAAP financial measures. Investors are encouraged to review the reconciliation of the non-GAAP financial measures to their most directly comparable GAAP financial measures as provided in the tables accompanying this press release.

Important Information

Quantum Corporation (the "Company"), its directors and certain executive officers will be participants in the solicitation of proxies from stockholders in connection with the Company's Annual Meeting of Stockholders for the fiscal year ended March 31, 2016 (the "Annual Meeting"). The Company has received a notice of nominations for the election of directors from VIEX Capital Advisors, LLC in connection with the Annual Meeting and it is possible that there may be a contested solicitation in connection with the Annual Meeting. The Company plans to file a proxy statement (the "Proxy Statement") with the Securities and Exchange Commission (the "SEC") in connection with the solicitation of proxies for the Annual Meeting.

The members of the Board of Directors of the Company and Fuad Ahmad, Chief Financial Officer, would be participants in the Company's solicitation of proxies in connection with the Annual Meeting. As of December 31, 2016, the holdings of the participants in the Company's common stock were as follows: Robert I. Anderson - 49,277 shares; Paul R. Auvil III - 597,509 shares; Louis DiNardo - 292,871 shares; Fuad Ahmad - 0 shares; Dale L. Fuller - 197,542 shares; Jon W. Gacek - 1,726,628 shares and options to purchase 1,300,000 shares exercisable within 60 days; David A. Krall - 342,354 shares; Gregg J. Powers - 15,423,566 shares, of which 14,594,195 shares are held in managed accounts of Private Capital Management, LLC, of which Mr. Powers is CEO and Portfolio Manager, and as to which Mr. Powers disclaims beneficial ownership; Clifford Press - 0 shares; and David E. Roberson - 329,263 shares. Additional information regarding such participants, including updated information as to their direct or indirect interests, by security holdings or otherwise, will be included in the Proxy Statement and other relevant documents to be filed with the SEC in connection with the Annual Meeting. To the extent that holdings of the Company's securities change from the amounts reflected in the foregoing, such changes will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC.

Promptly after filing its definitive Proxy Statement with the SEC, the Company will mail the definitive Proxy Statement to each stockholder entitled to vote at the Annual Meeting. STOCKHOLDERS ARE URGED TO READ THE PROXY STATEMENT (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS THAT THE COMPANY WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Stockholders may obtain, free of charge, the Company's preliminary proxy statement, any amendments or supplements thereto and any other relevant documents filed by the Company with the SEC in connection with the Annual Meeting at the SEC's website (<http://www.sec.gov>). Copies of the Company's definitive proxy statement, any amendments or supplements thereto and any other relevant documents filed by the Company with the SEC in connection with the Annual Meeting will also be available, free of charge, at the Company's website (www.quantum.com) or by writing to Investor Relations, Quantum Corporation, 224 Airport Parkway, Suite 550, San Jose, CA 95110.

- more -

QUANTUM CORPORATION
GAAP TO NON-GAAP RECONCILIATION
(In thousands, except per share amounts)
(Unaudited)

Three Months Ended December 31, 2016						
	Income From Operations		Net Income		Per Share Net Income, Diluted	
	Low	High	Low	High		
GAAP	\$ 7,500	– \$ 8,500	\$ 5,500	– \$ 6,500	\$ 0.02	
Non-GAAP Reconciling Items:						
Share-based compensation	1,500		1,500			
Restructuring benefits	(100)		(100)			
Proxy contest and related costs	100		100			
Loss on debt extinguishment	—		50			
Non-GAAP	\$ 9,000	– \$ 10,000	\$ 7,050	– \$ 8,050	\$ 0.03	
Computation of basic and diluted net income per share:						
	GAAP		Non-GAAP			
	Low	High	Low	High		
Net income	5,500	– 6,500	\$ 7,050	– \$ 8,050		
Interest of dilutive convertible notes	865		865			
Gain on debt extinguishment from dilutive convertible notes	(114)		—			
Income for purposes of computing income per diluted share	\$ 6,251	– \$ 7,251	\$ 7,915	– \$ 8,915		
Weighted average shares:						
Basic	271,186		271,186			
Dilutive shares from stock plans	3,257		3,257			
Dilutive shares from convertible notes	40,859		40,859			
Diluted	315,302		315,302			

Three Months Ended December 31, 2015						
	Income From Operations		Net Income (Loss)		Per Share Net Income (Loss), Diluted	
GAAP	\$ 1,954		\$ (299)		\$ (0.00)	
Non-GAAP Reconciling Items:						
Amortization of intangibles	48		48			
Share-based compensation	2,239		2,239			
Restructuring charges	1,895		1,895			
Crossroads patent litigation costs	1,054		1,054			
Loss on debt extinguishment	—		394			
Non-GAAP	\$ 7,190		\$ 5,331		\$ 0.02	
Computation of basic and diluted net income (loss) per share:						
	GAAP		Non-GAAP			
Net income (loss)	\$ (299)		\$ 5,331			
Weighted average shares:						
Basic	264,003		264,003			
Dilutive shares from stock plans	—		305			
Diluted	264,003		264,308			

The non-GAAP financial information set forth in this table is not prepared in accordance with generally accepted accounting principles and may be different from non-GAAP financial information used by other companies.

QUANTUM CORPORATION
GAAP TO NON-GAAP RECONCILIATION
(In thousands)
(Unaudited)

	Nine Months Ended December 31, 2016	Nine Months Ended December 31, 2015	Change
Increase in GAAP net income for the nine months ended December 31, 2016			28,000
Non-GAAP Reconciling Items:			
Amortization of intangibles	150	233	(83)
Share-based compensation	5,100	7,339	(2,239)
Restructuring charges	2,000	2,540	(540)
Proxy contest and related costs	450	—	450
Crossroads patent litigation costs	150	2,694	(2,544)
Loss on debt extinguishment	50	394	(344)
Increase in non-GAAP net income for the nine months ended December 31, 2015			<u>22,700</u>

The non-GAAP financial information set forth in this table is not prepared in accordance with generally accepted accounting principles and may be different from non-GAAP financial information used by other companies.

- end -



QUANTUM INVESTOR PRESENTATION

January 2017

Quantum

Safe Harbor Statement

“Safe Harbor” Statement under the U.S. Private Securities Litigation Reform Act of 1995: This presentation contains “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. Specifically, without limitation, statements regarding anticipated market forecasts and trends, and Quantum’s financial forecast, business prospects and strategies are forward-looking statements within the meaning of the Safe Harbor. All forward-looking statements are based on information available to Quantum on the date hereof. These statements involve known and unknown risks, uncertainties and other factors that may cause Quantum’s actual results to differ materially from those implied by the forward-looking statement. More detailed information about these risk factors, and additional risk factors, are set forth in Quantum’s periodic filings with the Securities and Exchange Commission, including, but not limited to, those risks and uncertainties listed in the section entitled “Risk Factors,” in Quantum’s Annual Report on Form 10-K filed with the Securities and Exchange Commission on June 3, 2016. Quantum expressly disclaims any obligation to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

Quantum believes that non-GAAP financial measures provide useful and supplemental information to investors regarding its quarterly financial performance. The non-GAAP financial measures Quantum uses are not prepared in accordance with generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. For a description of the specific adjustments Quantum makes in preparing its non-GAAP financial measures, and the rationale for these adjustments, please refer to the section entitled “Use of Non-GAAP Financial Measures” in Quantum’s most recent quarterly earnings release filed on Form 8-K with the Securities and Exchange Commission October 26, 2016.



37-Year Storage Specialist and Leader in Key Markets

High-Growth Scale-out Tiered Storage Portfolio

Profit/Cash-Generating Data Protection Portfolio, Install Base and Channel

Scalable Financial Model Providing Significant Leverage



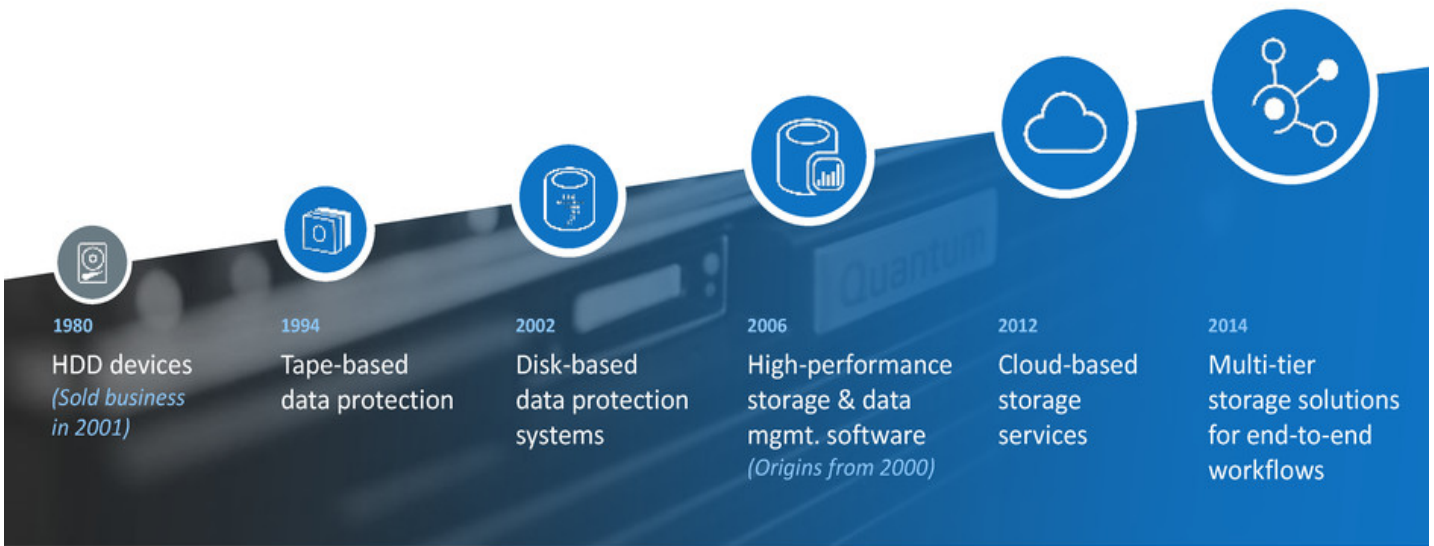
Who We Are

A leading expert in highly scalable storage, data protection and archive focused on the most demanding workflow challenges

What We Do

Enable customers to capture, share and preserve digital assets over their entire lifecycle, creating new opportunities to maximize data's business value

A Rich History in Storage



Data Protection

Primary Customer: IT Departments

Scale-out Tiered Storage

Primary Customer: Line of Business

DATA BACKUP

Highly efficient and fast systems for protecting an organization's critical operational data

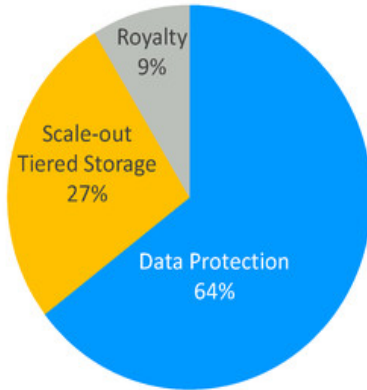
DATA ARCHIVING AND PRESERVATION

Massively scalable storage systems for safely storing an organization's most strategic data assets

WORKFLOW STORAGE AND DATA MANAGEMENT

High-performance, multi-tier storage solutions for enabling line-of-business creativity, productivity and efficiency

FY16 Revenue: \$476M



- Non-royalty: 90% branded, 10% OEM
- 60% North America, 30% EMEA, 10% APAC

- Fiscal Q2'17 results
 - Total revenue of \$135M, up 15% Y-Y
 - Scale-out tiered storage revenue grew 56% Y-Y (21st consecutive quarter of Y-Y growth) and represented 35% of total revenue
 - Branded data protection revenue increased 4% Y-Y
 - Non-GAAP net income of \$6M, up \$13M Y-Y
- 100,000+ deployments, from SMB to enterprise
- Channel-focused sales model, with 11,000 resellers
- Major technology OEM/reseller partnerships

© 2017 Quantum Corporation 7

Proven Market Leader



100,000+ customer deployments



Awards and other honors



Tightly Integrated with the Ecosystem



 The Open Platform Company			 Software. Access. Together.		 IT JUST WORKS!
		 your key to compliance			

How Quantum Solves Key Customer Challenges



Key Customer Challenges

- Data growth, particularly unstructured data (e.g., video, audio, imaging, sensors)
- Increased strategic value of data
 - Insight, discovery, intelligence
 - Repurposing/remonetizing
 - Anytime/anywhere access
 - Collaboration
- Need for workflow-optimized solutions
- Desire for greater simplicity/ease-of-use
- Public, private, hybrid cloud architectures
- Continued cost constraints

Customers' business needs increasingly centered on capturing, sharing, protecting and maximizing value of their data



Quantum's Solutions

- Managing large-scale, shared content workflows from end to end in most demanding data environments
- Enabling efficient workflows that rely on high-performance storage
- Providing archive solutions designed to reduce unstructured data storage costs
- Making content archives in the cloud more accessible
- Protecting and retaining data in most efficient, cost-effective way based on customer needs (tiered storage)

Quantum offers unique combination of high performance, low-cost capacity and easy access across multiple storage tiers



**SCALE-OUT TIERED
STORAGE SOLUTIONS**

Quantum

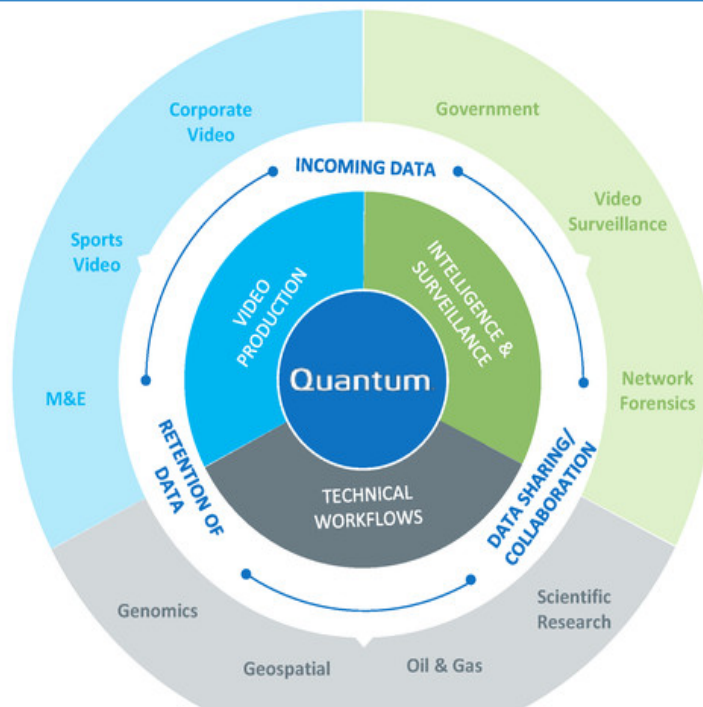
Scale-out Tiered Storage: Key Metrics

[]

- 1H'FY17 revenue of \$78M, up 34% Y-Y
 - Growth across all main use cases: Media & Entertainment, Video Surveillance and Technical Workflows
- 120,000+ file system licensees/users
- Average win rate in 70% range
- Average non-GAAP product gross margins of approximately 45%
- Expected to grow to 35-40% of total revenue in FY17 (from 27% in FY16)

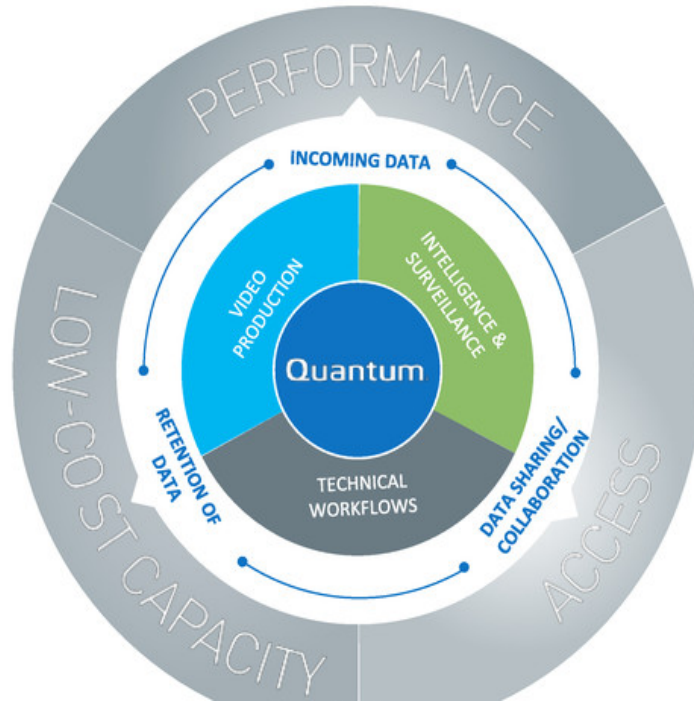


Scale-out Tiered Storage: The Demanding Markets We Serve []

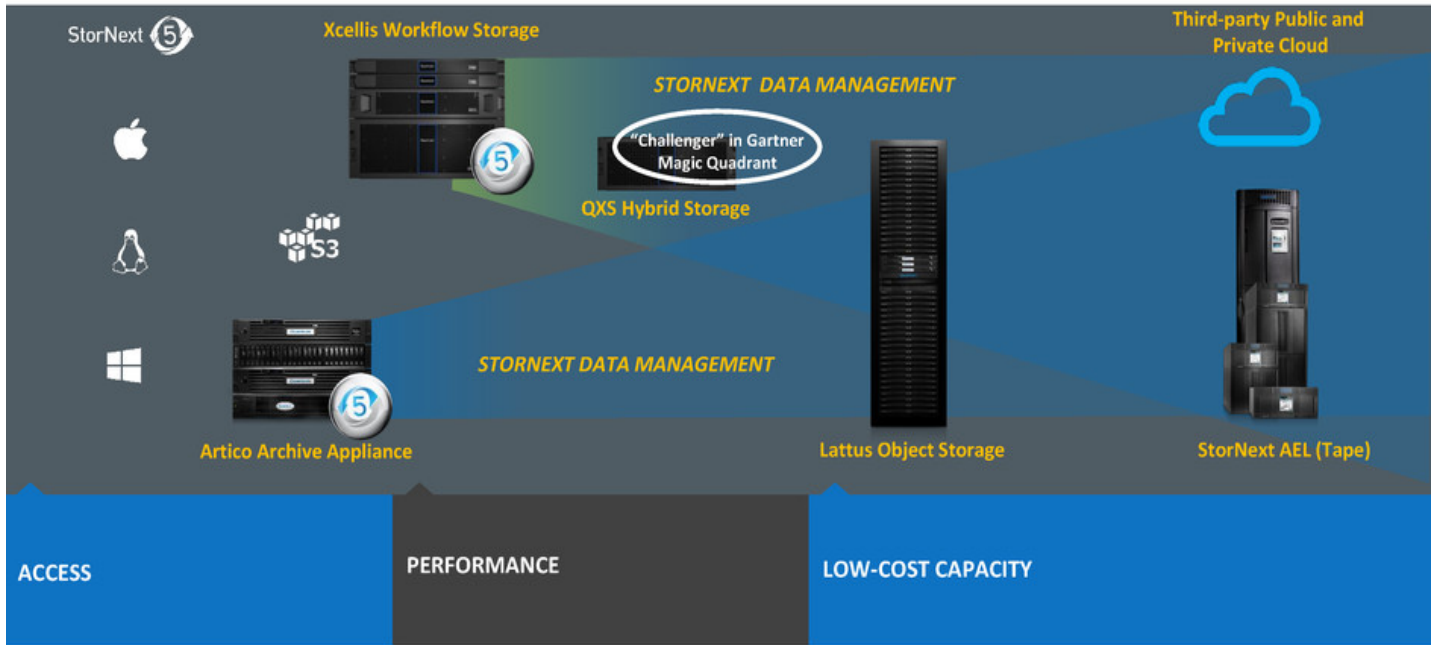


Scale-out Tiered Storage: Attributes Required for Success

[]



Scale-out Tiered Storage Portfolio that Delivers on All Attributes



Extend M&E leadership (e.g., corporate video, sports video, ad agencies)

Build on video surveillance momentum

Capitalize on unstructured data archive opportunities in technical workflows

Further expand our solution set to the cloud and cloud providers

Leverage data protection assets and unified sales organization

Scale-out Tiered Storage Use Cases: Select Examples



Broadcaster (Media & Entertainment)

- Needed support for 4K/2K mixed workflow
- EMC Isilon couldn't meet performance requirements
- QTM enabled them to fully leverage large 4K investment and pursue additional business opportunities



Retail Center (Video Surveillance)

- Wanted state-of-the-art video surveillance and analytics solution they could afford
- No other storage solution "even came close" to QTM, including integration with key ecosystem partners



Automotive Supplier (Technical Workflows)

- Autonomous vehicle project: 20PB of data over 10 years
- All-NAS solution cost of \$15M made project untenable
- QTM cost of \$1.6M thru tiering, with better performance
- QTM enabled greater innovation and IP growth



DATA PROTECTION SOLUTIONS

Quantum

- 1H'FY17 revenue of \$155M, up 3% Y-Y (excludes royalty revenue)
 - Branded disk backup systems up 14% Y-Y in 1H'FY17
- 100,000+ deployments
- Average win rates over 75% for tape automation and mid-60th percentile for DXi
- Average branded non-GAAP product gross margins
 - Tape automation and DXi: approximately 50%
 - Tape devices and media: approximately 5-10%
- Strategy is to generate overall data protection profit/cash



Data Protection: Increased Complexity and Demands on Customers



LEGACY	NEW PARADIGM
Protection of Mostly Structured Data	Protection of Increasingly More Unstructured Data, in Addition to Structured Data
Back Up Data from Physical Assets	Protection of Heterogeneous Assets – Physical and Virtual
Primarily Tape Backup	Intelligent Storage Tiering – Tape, Disk, Object Storage and Cloud
On-Premise Data Access	Anytime, Anywhere Data Access
Retain Most Data for Finite Period	Keep More and More Data Forever
Archive for Risk Mitigation	Archive for Business Opportunity

DXi Disk Deduplication



DXi V-Series
1-24TB



DXi4700
5-135TB



DXi6900/DXi6900-S
17-544TB

Scalar Tape Automation



Scalar i3/16
25-800 slots



Scalar i500
40-80 slots



Scalar i6000
10-7000 slots

Devices and Media



Q-Cloud Protect



Leverage tape market share leadership

Increase DXi customer base

Expand DXi go-to-market strategic partnerships

Take advantage of growing cost issues with traditional primary storage

Leverage unified sales organization

Data Protection Use Case: Virtual Machine Data Backup and Disaster Recovery

[]

Customer Need

- State health department faced with significant data growth and challenges of large VMware adoption

Quantum Solution

- DXi appliances
- Veeam backup software

Why Quantum

- Positive experience with earlier generation DXi appliance
- Ability to partition DXi appliance as virtual tape library and NAS target
- DXi archive capability

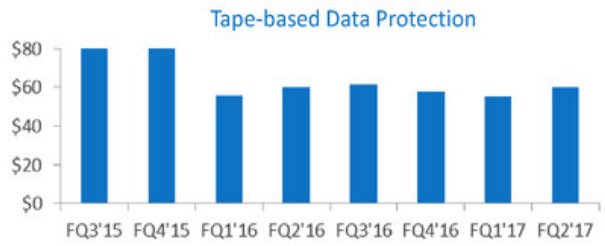
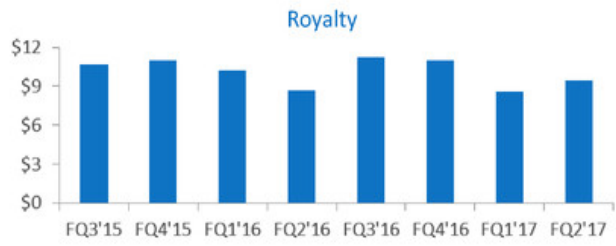
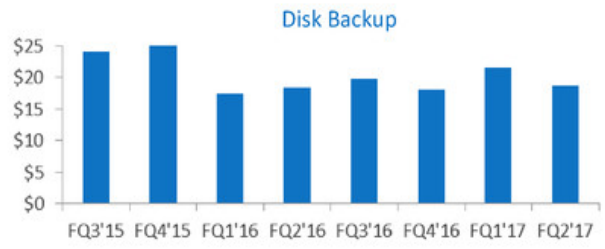
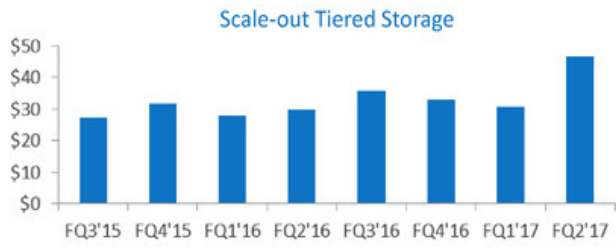


A grayscale photograph of chess pieces on a board, with a blue horizontal bar overlaid in the center. The bar contains the text 'FINANCIALS AND GUIDANCE'.

FINANCIALS AND GUIDANCE

Quantum

Revenue Breakdown (millions of \$)



Scalable Financial Model with Significant Leverage



	FY16	FY16 1st Half	FY16 2nd Half	FY17 1st Half
Revenue	\$476M	\$228M	\$248M	\$251M
Gross Margin Rate ¹	43.3%	41.3%	45.2%	42.4%
Operating Expenses ¹ (% of Revenue)	\$200M 43%	\$104M 46%	\$96M 39%	\$97M 39%
Operating Income ¹ (% of Revenue)	\$5.6M 1%	(\$10M) (4%)	\$16M 6%	\$10M 4%
Net Income ¹ (% of Revenue)	(\$2M) (1%)	(\$14M) (6%)	\$12M 5%	\$6M 3%
TTM EBITDA	\$18M	(\$4M)	\$22M	\$37M
Cash from Ops	(\$12M)	(\$2M)	(\$9M)	\$3M
Free Cash Flow	(\$15M)	(\$4M)	(\$11M)	\$1M
Cash Balance	\$37M	\$65M	\$37M	\$32M
Total Debt	\$135M ²	\$153M	\$135M ²	\$130M
Net Debt	\$98M ²	\$87M	\$98M ²	\$97M
Headcount	1,200	1,200	1,200	1,200

Notes:

¹ Gross Margin Rate, Operating Expenses, Operating Income and Net Income are non-GAAP figures

² In the third quarter of FY16, Quantum repurchased approximately \$85M of its convertible debt using \$16M in cash and \$69M of its revolving credit facility with Wells Fargo Capital Finance

1H'FY17 vs. 1H'FY16

- Total revenue up 10%
- Branded revenue up 14%
- Scale-out tiered storage revenue up 34%
- Branded data protection up 4%
- Operating income up \$20M
- Net income up \$21M

FQ3'17 Preliminary Results

(all comparisons are to FQ3'16 unless otherwise noted)



- * Total revenue of approximately \$133M, up from \$128M
 - Up 8% for first three quarters of FY17 (YTD) over same period in FY16
- * Scale-out tiered storage revenue* of approximately \$40 million, an increase of 12 percent and the 22nd consecutive quarter of Y-Y growth
 - Up 26% YTD over same period in FY16
- * Total data protection revenue* of approximately \$83 million, up \$2 million
 - Branded data protection revenue* up 7% YTD over same period in FY16
- * Non-GAAP operating income of \$9M-\$10M, an increase of \$2M-\$3M
- * Non-GAAP net income of \$7M-\$8M, or \$0.03 per diluted share – an increase of \$0.01 per diluted share
 - Approximately \$23M improvement YTD over same period in FY16

* Includes related service revenue

Additional Information and Where to Find It



Quantum Corporation (the “Company”), its directors and certain executive officers will be participants in the solicitation of proxies from stockholders in connection with the Company’s Annual Meeting of Stockholders for the fiscal year ended March 31, 2016 (the “Annual Meeting”). The Company has received a notice of nominations for the election of directors from VIEX Capital Advisors, LLC in connection with the Annual Meeting and it is possible that there may be a contested solicitation in connection with the Annual Meeting. The Company plans to file a proxy statement (the “Proxy Statement”) with the Securities and Exchange Commission (the “SEC”) in connection with the solicitation of proxies for the Annual Meeting.

The members of the Board of Directors of the Company and Fuad Ahmad, Chief Financial Officer, would be participants in the Company’s solicitation of proxies in connection with the Annual Meeting. As of December 31, 2016, the holdings of the participants in the Company’s common stock were as follows: Robert I. Anderson – 49,277 shares; Paul R. Auvil III – 597,509 shares; Louis DiNardo – 292,871 shares; Fuad Ahmad – 0 shares; Dale L. Fuller – 197,542 shares; Jon W. Gacek – 1,726,628 shares and options to purchase 1,300,000 shares exercisable within 60 days; David A. Krall – 342,354 shares; Gregg J. Powers – 15,423,566 shares, of which 14,594,195 shares are held in managed accounts of Private Capital Management, LLC, of which Mr. Powers is CEO and Portfolio Manager, and as to which Mr. Powers disclaims beneficial ownership; Clifford Press – 0 shares; and David E. Roberson – 329,263 shares. Additional information regarding such participants, including updated information as to their direct or indirect interests, by security holdings or otherwise, will be included in the Proxy Statement and other relevant documents to be filed with the SEC in connection with the Annual Meeting. To the extent that holdings of the Company’s securities change from the amounts reflected in the foregoing, such changes will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC.

Promptly after filing its definitive Proxy Statement with the SEC, the Company will mail the definitive Proxy Statement to each stockholder entitled to vote at the Annual Meeting. **STOCKHOLDERS ARE URGED TO READ THE PROXY STATEMENT (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS THAT THE COMPANY WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** Stockholders may obtain, free of charge, the Company’s preliminary proxy statement, any amendments or supplements thereto and any other relevant documents filed by the Company with the SEC in connection with the Annual Meeting at the SEC’s website (<http://www.sec.gov>). Copies of the Company’s definitive proxy statement, any amendments or supplements thereto and any other relevant documents filed by the Company with the SEC in connection with the Annual Meeting will also be available, free of charge, at the Company’s website (www.quantum.com) or by writing to Investor Relations, Quantum Corporation, 224 Airport Parkway, Suite 550, San Jose, CA 95110.

Quantum

© 2017 Quantum Corporation.
