NEW MAXTOR ONETOUCH III FAMILY IS UNVEILED

External Storage Solutions New Robust Design, Intuitive User Interface and Innovative Software Features Garner a CES Innovation 2006 Design and Engineering Award With the goal of making data backup and protection effortless, Maxtor Corporation announced today that a new family of Maxtor OneTouch III external storage and backup solutions will start shipping in Australia this month. The new drives offer a range of features, capacities and performance for home users, creative professionals and business executives. The new line of Maxtor OneTouch III storage solutions, with capacities from 100GB to one terabyte (1,000 GB), provide easy-to-use, automated backup and restore capabilities for PC and Mac users. New software tools, including the ability to synchronise data between two or more computers and a System Rollback feature that helps return PC systems to a healthier state after a damaging spyware attack, are now integrated into the entire Maxtor OneTouch III family of products. The Maxtor OneTouch III solution, with a triple FireWire 800/FireWire 400/USB 2.0 interface was lauded as an Innovations Design and Engineering Honoree in the Computer Accessories category at the Consumer Electronics Show in Las Vegas last month. The drive was chosen for its engineering qualities, its intended use/function, unique features, and aesthetic and design qualities, among other reasons. The triple interface drive is accompanied by a dual interface and a USB 2.0-only drive in the OneTouch III family. To meet the needs of mainstream creative and business professionals, Maxtor is offering the Maxtor OneTouch III with dual interfaces, FireWire 400 and USB 2.0, for quickly and easily backing up photos, music and data. For the home PC market, the company is offering a USB 2.0-only interface model that provides basic file-level backup capabilities. Like the 1TB Maxtor OneTouch III, Turbo Edition launched in October 2005, the expanded Maxtor OneTouch III family sports an innovative new industrial design, an improved consumer friendly user interface and a redesigned retail package from award-winning consulting firm frog design inc. Built to last, the Maxtor OneTouch III family features improved acoustics, an inner disk drive casing and shock mounts for additional durability and drive protection. The entirely new user interface is simple to navigate for both Mac and PC users, making it easier to set up and manage data backup, file archiving and system settings. All Maxtor OneTouch external storage and backup systems come with an added data security feature called Maxtor DriveLock, which provides a password protection option to safeguard contents if the drive is ever lost or stolen. Digital entertainment and data have become absolutely integral to our everyday lives, for people and businesses, but the vast majority of Australians still dont protect valuable files by backing them up, said Edwin Tien, country manager, Australia. Maxtor strives to create innovative solutions that make it simple for consumers to expand, share, and protect their digital lives. Our new Maxtor OneTouch III family is designed from the inside out to be the easiest, most trustworthy way to back up and store photos, videos, games, music, business data and personal information. Based on customer feedback and innovative technologies, Maxtor has added Sync, the ability to automatically synchronise files between two or more systems on the same operating platform, across its new family of Maxtor OneTouch III storage solutions. Increasingly, customers want to share data easily and automatically between home and office, synching files and folders in both computers. Also, to combat spyware, adware and computer registry issues that can slow a system to a crawl or even a screeching halt, the new Maxtor OneTouch III product family includes a System Rollback feature that reverts the system to a healthier point in time while preserving the most current user data in Word and Excel documents, photos, music and other digital files. System programs that can be rolled back in time include operating system, settings and applications. Maxtor OneTouch III external storage and backup solutions will be available starting this month at selected retailers and distributors including Harris Technology, DSE, Officeworks, Harvey Norman, and City Software. The Maxtor OneTouch III with a triple interface will be available late in Q1 2006. Each drive in the Maxtor OneTouch III family is available in multiple capacities. Please visit www.maxtor.com.au or phone Maxtor on 02 9369 3662 for further information. The recommended retail price (RRP) for the Maxtor OneTouch III drives currently shipping ranges from $229 for the 100GB USB 2.0 only version to $549 for the 500GB dual interface solution. RRP for the 1TB Maxtor OneTouch III, Turbo Edition is $1199. About Maxtor Maxtor Corporation (www.maxtor.com.au) is one of the world's leading suppliers of hard disk drives and consumer storage solutions. The company has an expansive line of storage products for desktop computers, storage systems, high-performance Intel-based servers, and consumer electronics. Maxtor has a reputation as a proven market leader, built by consistently providing high-quality products, services and support for its customers. Maxtor and its products can be found at www.maxtor.com.au or by calling 02 9369 3662. Maxtor is traded on the New York Stock Exchange under the symbol MXO. Note: Maxtor and the Maxtor stylized logo design are registered trademarks, and Maxtor OneTouch and Maxtor DriveLock are trademarks of Maxtor Corporation. All other trademarks are properties of their respective owners. For purposes of measuring disk drive storage capacity, one gigabyte (GB) represents one billion bytes and one terabyte (TB) represents one trillion bytes. The Maxtor OneTouch solution serves as an element of an overall backup strategy. This announcement relating to Maxtor may contain forward-looking statements concerning future technology, products incorporating that technology, and Maxtor's execution. These statements are based on current expectations and are subject to risks and uncertainties which could materially affect the company's results, including, but not limited to, market demand for hard disk drives and network storage, component availability, integration of the company's products with products produced by others, the company's ability to execute future production ramps and utilize manufacturing assets efficiently, pricing, competition, and the significant uncertainty of market acceptance of new products and technologies, and the growth and implementation of home networking. These and other risk factors are contained in documents that the

company files with the SEC, including the Form 10-K for fiscal 2003 and its recent 10-Qs. Maxtor is under no obligation to, and expressly disclaims any responsibility to update or alter, its forward-looking statements, whether as a result of new information, future events or otherwise.