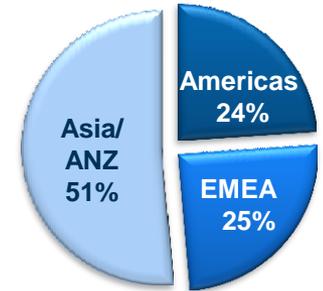
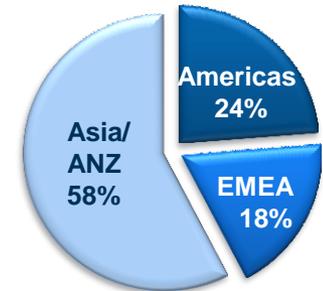


Amounts in millions; except per share amounts, ASP, percentages.																					
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 FY13 ⁶												
	FY09	FY09	FY09	FY10	FY10	FY10	FY10	FY11	FY11	FY11	FY11	FY12	FY12	FY12	FY12	FY13	Low	High			
TAM	123.8	111.4	135.4	152.4	160.4	163.3	156.2	164.0	167.5	159.5	165.8	176.3	119.1	146.4	156.7	139.2	140.0	140.0			
Share	28.6%	28.3%	29.5%	28.9%	30.9%	31.3%	31.8%	30.9%	31.2%	31.2%	32.5%	32.8%	23.9%	30.2%	45.3%	44.9%					
Units (HDD)	35.5	31.6	40.0	44.1	49.5	51.1	49.7	50.7	52.2	49.8	53.8	57.8	28.5	44.2	62.5	62.5					
ASP (HDD)	\$51	\$50	\$48	\$49	\$52	\$51	\$47	\$46	\$47	\$45	\$44	\$46	\$69	\$68	\$65	\$62					
Revenue	\$1,823	\$1,592	\$1,928	\$2,208	\$2,619	\$2,641	\$2,382	\$2,396	\$2,475	\$2,252	\$2,403	\$2,694	\$1,995	\$3,035	\$4,754	\$4,035	\$3,550	\$3,700			
Gross Profit	\$290	\$253	\$370	\$514	\$687	\$665	\$535	\$437	\$475	\$410	\$469	\$541	\$648	\$1,077	\$1,511	\$1,231					
Gross Margin	15.9%	15.9%	19.2%	23.3%	26.2%	25.2%	22.5%	18.2%	19.2%	18.2%	19.5%	20.1%	32.5%	32.2%	31.0%	29.6%					
R&D	\$119	\$125	\$132	\$142	\$154	\$160	\$154	\$167	\$169	\$179	\$188	\$193	\$191	\$265	\$406	\$396					
SG&A	\$42	\$49	\$52	\$53	\$60	\$64	\$61	\$59	\$66	\$63	\$77	\$71	\$85	\$122	\$178	\$179					
Other	\$113	\$18	(\$23)	\$ -	\$ -	\$ -	\$27	\$ -	\$ -	\$10	\$32	\$18	\$210	\$48	\$80	\$26					
Total Operating Expenses	\$274	\$192	\$161	\$195	\$214	\$224	\$242	\$226	\$235	\$252	\$297	\$282	\$486	\$435	\$664	\$601	\$525	\$525			
Operating Income	\$16	\$61	\$209	\$319	\$473	\$441	\$293	\$211	\$240	\$158	\$172	\$259	\$162	\$542	\$808	\$592					
Net Income	\$14	\$50	\$196	\$288	\$429	\$400	\$265	\$197	\$225	\$146	\$158	\$239	\$145	\$483	\$745	\$519					
EPS	\$0.06	\$0.22	\$0.86	\$1.25	\$1.85	\$1.71	\$1.13	\$0.84	\$0.96	\$0.62	\$0.67	\$1.01	\$0.61	\$1.96	\$2.87	\$2.06					
Diluted Shares Outstanding	224	226	227	230	232	234	235	234	235	236	237	237	237	246	260	252	248	248			
Non-GAAP Results																					
Gross Profit	\$290	\$253	\$370	\$514	\$687	\$665	\$535	\$437	\$475	\$410	\$469	\$541	\$648	\$1,077	\$1,511	\$1,231					
Gross Margin	15.9%	15.9%	19.2%	23.3%	26.2%	25.2%	22.5%	18.2%	19.2%	18.2%	19.5%	20.1%	32.5%	35.5%	31.8%	30.5%	28.0%	28.0%			
Net Income	\$123	\$68	\$173	\$288	\$429	\$400	\$292	\$197	\$225	\$156	\$193	\$260	\$358	\$619	\$872	\$594					
EPS	\$0.55	\$0.30	\$0.76	\$1.25	\$1.85	\$1.71	\$1.24	\$0.84	\$0.96	\$0.66	\$0.81	\$1.10	\$1.51	\$2.52	\$3.35	\$2.36	\$1.65	\$1.85			
Top 10 Customers Revenue																					
Revenue by Channel	49%	47%	52%	56%	55%	51%	52%	50%	48%	49%	53%	49%	51%	53%	53%	44%					
OEM	57%	48%	54%	52%	48%	49%	54%	50%	45%	47%	55%	53%	59%	64%	69%	63%					
Distributors	21%	30%	29%	31%	30%	33%	29%	32%	33%	33%	29%	29%	25%	28%	21%	24%					
Retail	22%	22%	17%	17%	22%	18%	17%	18%	22%	20%	16%	18%	16%	8%	10%	13%					
Revenue by Geography																					
Americas	23%	26%	24%	22%	25%	24%	25%	23%	22%	22%	20%	19%	22%	21%	27%	23%					
EMEA	29%	28%	22%	22%	25%	24%	21%	23%	25%	24%	20%	22%	21%	18%	18%	18%					
Asia/ANZ	48%	46%	54%	56%	50%	52%	54%	54%	53%	54%	60%	59%	57%	61%	55%	59%					
Compute Units																					
Notebook	11.187	7.932	14.670	16.528	17.735	17.072	16.802	16.582	17.385	16.227	16.867	19.622	9.814	18.067	32.773	25.887					
Desktop	14.225	14.659	16.349	18.282	19.290	21.461	20.282	20.918	20.411	20.118	22.348	21.588	11.391	15.975	21.211	16.819					
Non-Compute Units																					
Consumer Electronics	4.128	3.487	3.666	3.064	4.083	4.643	5.306	5.239	4.709	4.765	6.459	7.188	2.352	3.643	4.155	8.019					
Branded	4.918	4.512	3.994	4.539	6.219	5.565	5.005	5.678	7.427	6.404	5.672	7.060	3.191	2.926	4.986	5.767					
Enterprise Units	1,005	0,973	1,308	1,669	2,170	2,356	2,346	2,319	2,284	2,318	2,463	2,369	1,724	3,616	7,913	5,988					
Total HDD Units	35.463	31.563	39.987	44.082	49.497	51.097	49.741	50.736	52.216	49.832	53.809	57.827	28.472	44.227	71.038	62.480					

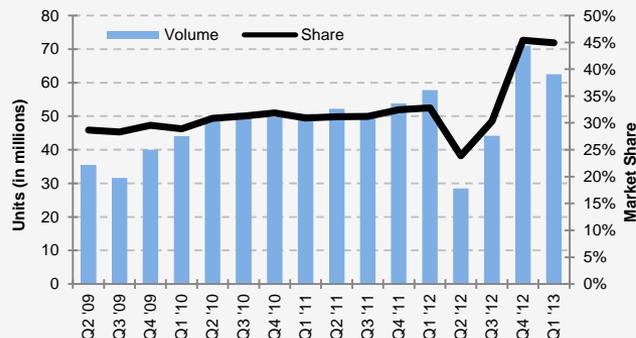
Revenue by Geography
Rolling Four Quarters Ending Q1'10



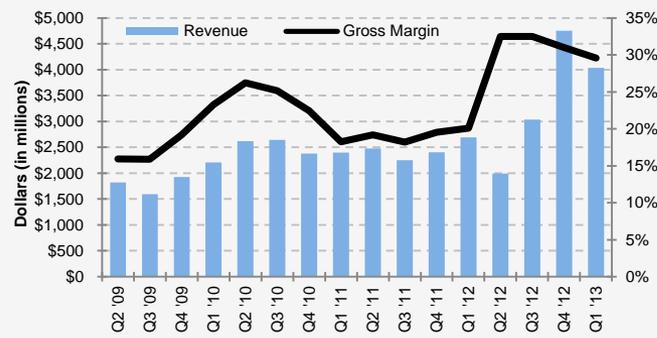
Revenue by Geography
Rolling Four Quarters Ending Q1'13



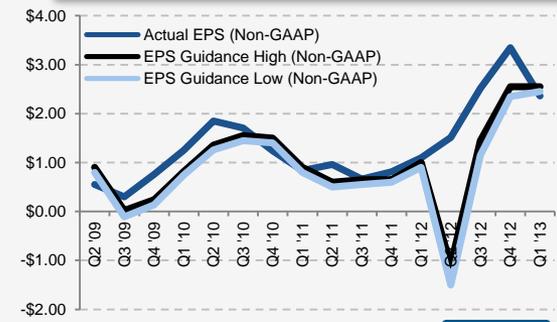
Volume and Market Share



Revenue and Gross Margin



EPS Analysis



Balance sheet, cash flows, earnings and share repurchase amounts in millions	Q2	Q3	Q4	Q1												
	FY09	FY09	FY09	FY10	FY10	FY10	FY10	FY11	FY11	FY11	FY11	FY12	FY12	FY12	FY12	FY13
Cash and Cash Equivalents	\$1,376	\$1,579	\$1,794	\$2,056	\$2,435	\$2,826	\$2,734	\$2,858	\$3,110	\$3,230	\$3,490	\$3,675	\$3,924	\$3,377	\$3,208	\$3,537
Debt	\$504	\$502	\$482	\$463	\$444	\$425	\$400	\$375	\$350	\$325	\$294	\$263	\$231	\$2,743	\$2,185	\$2,128
Net Cash and Cash Equivalents	\$872	\$1,077	\$1,312	\$1,593	\$1,991	\$2,401	\$2,334	\$2,483	\$2,760	\$2,905	\$3,196	\$3,412	\$3,693	\$634	\$1,023	\$1,409
Cash Flow From Operations	\$300	\$355	\$349	\$434	\$557	\$588	\$363	\$390	\$505	\$313	\$447	\$352	\$378	\$1,208	\$1,128	\$936
Free Cash Flow	\$160	\$249	\$238	\$258	\$358	\$411	\$178	\$190	\$255	\$138	\$294	\$218	\$258	\$1,069	\$804	\$554
Capital Expenditures	\$140	\$106	\$111	\$176	\$199	\$177	\$185	\$200	\$250	\$175	\$153	\$134	\$120	\$139	\$324	\$382
Depreciation and Amortization	\$122	\$119	\$122	\$121	\$126	\$128	\$134	\$150	\$151	\$151	\$150	\$158	\$140	\$188	\$339	\$313
EBITDA	\$138	\$180	\$331	\$440	\$599	\$569	\$427	\$361	\$391	\$309	\$322	\$417	\$302	\$730	\$1,147	\$905
Accounts Receivable, Net	\$926	\$824	\$926	\$1,131	\$1,365	\$1,257	\$1,256	\$1,325	\$1,250	\$1,171	\$1,206	\$1,356	\$747	\$2,377	\$2,364	\$1,951
Inventory	\$124	\$104	\$97	\$96	\$102	\$115	\$159	\$155	\$141	\$151	\$172	\$170	\$191	\$329	\$245	\$237
Raw Materials	\$159	\$152	\$154	\$173	\$212	\$254	\$255	\$266	\$274	\$260	\$263	\$275	\$185	\$667	\$552	\$559
Work in Process	\$163	\$129	\$125	\$126	\$139	\$138	\$146	\$140	\$153	\$163	\$142	\$200	\$90	\$286	\$413	\$508
Finished Goods	\$446	\$385	\$376	\$395	\$453	\$507	\$560	\$561	\$568	\$574	\$577	\$645	\$466	\$1,282	\$1,210	\$1,304
Inventory, Net	\$1,620	\$1,570	\$1,584	\$1,625	\$1,696	\$1,756	\$2,159	\$2,245	\$2,277	\$2,249	\$2,224	\$2,209	\$2,091	\$4,171	\$4,067	\$4,027
Property, Plant and Equipment, Net	\$1,075	\$1,001	\$1,101	\$1,342	\$1,507	\$1,508	\$1,507	\$1,703	\$1,628	\$1,486	\$1,545	\$1,708	\$883	\$2,774	\$2,773	\$2,545
Accounts Payable																
Days Sales Outstanding	46	47	47	47	47	43	48	50	46	47	46	46	34	71	45	44
Days Inventory Outstanding	27	26	24	21	21	23	28	26	26	28	27	27	31	57	34	42
Days Payables Outstanding	64	68	69	72	71	69	74	79	74	73	73	72	60	123	77	82
Cash Conversion Cycle	9	5	2	(4)	(3)	(3)	2	(3)	(2)	2	-	1	5	5	2	4
Inventory Turns	14	14	15	17	17	16	13	14	14	13	13	13	12	6	11	9
Shares Repurchased	-	-	-	-	-	-	-	1.8	-	-	-	-	-	-	16.4	5.2
Shares Repurchased \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$604	\$218
Remaining Amount Authorized	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$416	\$416	\$416	\$416	\$416	\$416	\$416	\$1,312	\$2,594
R4Q ROIC	22.9%	14.9%	13.9%	15.3%	24.9%	31.2%	30.2%	26.4%	21.1%	15.6%	13.2%	13.6%	11.9%	14.8%	20.4%	21.3%
R4Q ROA	14.7%	9.8%	9.2%	10.4%	17.0%	21.2%	20.7%	18.1%	14.6%	10.9%	9.2%	9.5%	8.5%	10.5%	14.3%	14.9%
Worldwide Headcount	50,838	43,898	45,991	52,208	55,128	61,803	62,500	62,817	62,991	61,349	65,431	67,799	67,121	106,604	103,111	96,002

Business Model

Gross Margin*
27%-32%

Operating Expense*
10%-12%

Operating Income*
15%-22%

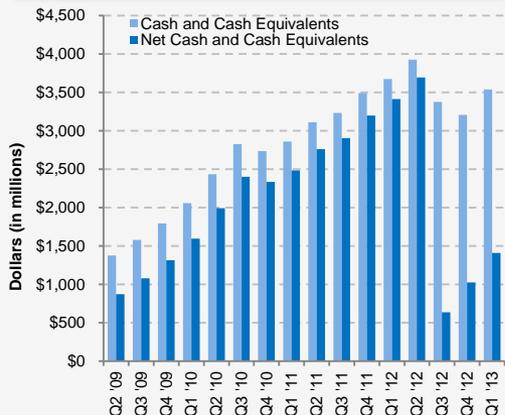
Tax
7%-10% of Income
Before Tax

Capital Expenditures*
5%-7%

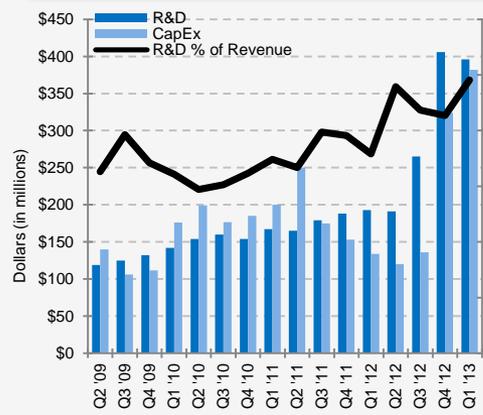
Conversion Cycle
4-8 Days

*Percent of Revenue

Gross vs. Net Cash & Cash Equivalents



R&D and Capital Expenditures



Free Cash Flow



R4Q Return on Invested Capital



Non-GAAP Financial Measures

Free Cash Flow: Free cash flow is a non-GAAP financial measure defined as cash flows from operations less capital expenditures. We consider free cash flow to be useful as an indicator of our overall liquidity, as the amount of free cash flow generated in any period is representative of cash that is available for strategic opportunities including, among others, investing in the Company's business, making strategic acquisitions, strengthening the balance sheet, repaying debt and repurchasing stock. We also believe that free cash flow is one of several benchmarks used by investors for comparison of our liquidity with other companies in our industry, although our measure of free cash flow may not be directly comparable to similar measures reported by other companies. Free cash flow should not be construed as an alternative to cash flows from operations or other cash flow measurements determined in accordance with GAAP.

EBITDA: EBITDA is a non-GAAP financial measure defined as net income before interest, income tax expense, depreciation and amortization. We include information concerning EBITDA because we believe it is a useful measure to evaluate our operating performance. As a measure of our operating performance, we believe EBITDA provides a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. While EBITDA is a relevant and widely used measure of operating performance, it does not represent net income as defined by GAAP and it should not be considered as an alternative to that measure in evaluating operating performance.

Non-GAAP Gross Margin and Non-GAAP Gross Profit: Non-GAAP gross margin is a non-GAAP measure defined as non-GAAP gross profit divided by revenue. Non-GAAP gross profit is a non-GAAP measure defined as gross profit before any unusual or non-recurring charges to cost of goods sold. For Q3 FY12, non-GAAP gross profit excludes costs recognized upon the sale of inventory that was written-up to fair value in connection with the HGST acquisition. Because we believe these costs may not be indicative of ongoing operations, we believe that non-GAAP gross profit and non-GAAP gross margin are useful measures to investors as an alternative method for measuring our operating performance and comparing it against prior periods' performance.

	Q2	Q3	Q4	Q1												
	FY09	FY09	FY09	FY10	FY10	FY10	FY10	FY11	FY11	FY11	FY11	FY12	FY12	FY12	FY12	FY13
Reconciliation of Cash Flows from Operations to Free Cash Flow																
Cash Flows from Operations	\$300	\$355	\$349	\$434	\$557	\$588	\$363	\$390	\$505	\$313	\$447	\$352	\$378	\$1,208	\$1,128	\$936
Capital Expenditures	(140)	(106)	(111)	(176)	(199)	(177)	(185)	(200)	(250)	(175)	(153)	(134)	(120)	(139)	(324)	(382)
Free Cash Flow	\$160	\$249	\$238	\$258	\$358	\$411	\$178	\$190	\$255	\$138	\$294	\$218	\$258	\$1,069	\$804	\$554
Reconciliation of Net Income to EBITDA																
Net Income	\$14	\$50	\$196	\$288	\$429	\$400	\$265	\$197	\$225	\$146	\$158	\$239	\$145	\$483	\$745	\$519
Interest	9	3	2	2	2	1	1	-	1	(1)	2	1	2	4	7	14
Income Tax Expense	(7)	8	11	29	42	40	27	14	14	13	12	19	15	55	56	59
Depreciation and Amortization	122	119	122	121	126	128	134	150	151	151	150	158	140	188	339	313
EBITDA	\$138	\$180	\$331	\$440	\$599	\$569	\$427	\$361	\$391	\$309	\$322	\$417	\$302	\$730	\$1,147	\$905
Reconciliation of Gross Margin to Non-GAAP Gross Margin and Gross Profit to Non-GAAP Gross Profit																
Gross Profit	\$290	\$253	\$370	\$514	\$687	\$665	\$535	\$437	\$475	\$410	\$469	\$541	\$648	\$977	\$1,472	\$1,193
Acquisition-Related Fair Value Adjustments														91		
Amortization of Intangible Assets Acquired from HGST														9	39	38
Non-GAAP Gross Profit	\$290	\$253	\$370	\$514	\$687	\$665	\$535	\$437	\$475	\$410	\$469	\$541	\$648	\$1,077	\$1,511	\$1,231
Revenue	\$1,823	\$1,592	\$1,928	\$2,208	\$2,619	\$2,641	\$2,382	\$2,396	\$2,475	\$2,252	\$2,403	\$2,694	\$1,995	\$3,035	\$4,754	\$4,035
Gross Margin	15.9%	15.9%	19.2%	23.3%	26.2%	25.2%	22.5%	18.2%	19.2%	18.2%	19.5%	20.1%	32.5%	32.2%	31.0%	29.6%
Non-GAAP Gross Margin	15.9%	15.9%	19.2%	23.3%	26.2%	25.2%	22.5%	18.2%	19.2%	18.2%	19.5%	20.1%	32.5%	35.5%	31.8%	30.5%

Non-GAAP Financial Measures

Non-GAAP Net Income and non-GAAP EPS: Non-GAAP net income and non-GAAP EPS are non-GAAP measures defined as net income and EPS, respectively, before any unusual or non-recurring charges or any tax impact related to those charges.

	Q2	Q3	Q4	Q1												
	FY09	FY09	FY09	FY10	FY10	FY10	FY10	FY11	FY11	FY11	FY11	FY12	FY12	FY12	FY12	FY13
Reconciliation of Net Income to Non-GAAP Net Income																
Net Income	\$14	\$50	\$196	\$288	\$429	\$400	\$265	\$197	\$225	\$146	\$158	\$239	\$145	\$483	\$745	\$519
Acquisition-Related Expense	—	—	—	—	—	—	—	—	—	10	10	14	14	34	—	—
Litigation Accruals	—	—	—	—	—	—	27	—	—	—	25	7	—	—	—	—
Charges Related to Flooding, Net of Recoveries	—	—	—	—	—	—	—	—	—	—	—	—	199	15	—	—
In-Process Research and Development Charge	—	14	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Acquisition-Related Adjustments to Fair Value of Inventory / Cost of Revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	91	—	—
Amortization of Intangible Assets Acquired from HGST	—	—	—	—	—	—	—	—	—	—	—	—	—	12	51	49
Restructuring	113	4	(23)	—	—	—	—	—	—	—	—	—	—	—	80	26
Tax Impact	(4)	—	—	—	—	—	—	—	—	—	—	—	—	(16)	(4)	—
Non-GAAP Net Income	\$123	\$68	\$173	\$288	\$429	\$400	\$292	\$197	\$225	\$156	\$193	\$260	\$358	\$619	\$872	\$594
EPS	\$0.06	\$0.22	\$0.86	\$1.25	\$1.85	\$1.71	\$1.13	\$0.84	\$0.96	\$0.62	\$0.67	\$1.01	\$0.61	\$1.96	\$2.87	\$2.06
Non-GAAP EPS	\$0.55	\$0.30	\$0.76	\$1.25	\$1.85	\$1.71	\$1.24	\$0.84	\$0.96	\$0.66	\$0.81	\$1.10	\$1.51	\$2.52	\$3.35	\$2.36
Diluted Shares Outstanding	224	226	227	230	232	234	235	234	235	236	237	237	237	246	260	252

Footnotes

1.Q1 FY11 ASP, Revenue by Channel and Revenue by Geography exclude external sales of media/substrates

2.Unit volume excludes WD TV Media Players without hard drives, WD Livewire, SSD and media

3.Worldwide Headcount excludes temporary employees

4.Consumer Electronics includes gaming

5.Q2 FY13 guidance is presented on a non-GAAP basis and excludes insurance proceeds related to the Thailand flooding and expenses related to the acquisition of HGST, including amortization of intangibles. Because the full extent of these expenses and proceeds are not known at this time, we are unable to provide information about, or a reconciliation to, the most directly comparable GAAP financial measures. The impact of these excluded items may cause the estimated non-GAAP financial measures to differ materially from the comparable GAAP financial measures.

Formulas

Share = Units / TAM

ASP = Revenue / Units

Free Cash Flow = Cash Flow from Operations – Capital Expenditures

EBITDA = Net income + Interest + Income Tax Expense + Depreciation and Amortization

Days Sales Outstanding (DSO) = Accounts Receivable / (Revenue / 91 days)

Days Inventory Outstanding (DIO) = Inventory / (Cost of Revenue / 91 days)

Days Payables Outstanding (DPO) = Accounts Payable / (Cost of Revenue / 91 days)

Cash Conversion Cycle = DSO + DIO – DPO

Inventory Turns = 364 days / DIO

R4Q ROIC = R4Q (Net Income from Continuing Operations + Interest Expense) / R4Q Average (Equity + Debt)

R4Q ROA = R4Q Net Income from Continuing Operations / R4Q Average Total Assets