

This document contains non-GAAP financial measures. These non-GAAP measures are not in accordance with, or an alternative for, measures prepared in accordance with GAAP and may be different from non-GAAP measures used by other companies.

| Amounts in millions, except exabytes, ASP, headcount, percentages, and working capital-related metrics | | Q3 FY17 | Q4 FY17 | Q1 FY18 | Q2 FY18 | Q3 FY18 |
|--------------------------------------------------------------------------------------------------------|-------------------------------------------------|----------------|----------------|----------------|----------------|------------------|
| Revenue | Client Devices ¹ | \$2,318 | \$2,410 | \$2,676 | \$2,647 | \$2,311 |
| | Client Solutions ¹ | 1,003 | 1,013 | 1,136 | 1,255 | 1,042 |
| | Data Center Devices & Solutions ¹ | 1,328 | 1,419 | 1,369 | 1,434 | 1,660 |
| | Total Revenue | \$4,649 | \$4,842 | \$5,181 | \$5,336 | \$5,013 |
| Exabytes Shipped | Client Devices ¹ | 36.4 | 36.5 | 39.5 | 40.0 | 34.2 |
| | Client Solutions ¹ | 11.3 | 11.2 | 12.5 | 15.5 | 12.8 |
| | Data Center Devices & Solutions ¹ | 26.5 | 33.5 | 35.4 | 39.8 | 53.3 |
| | Total Exabytes Shipped² | 74.2 | 81.2 | 87.4 | 95.3 | 100.3 |
| Cash Flows | Cash Flows provided by Operating Activities | \$998 | \$939 | \$1,133 | \$1,182 | \$1,027 |
| | Purchases of Property, Plant and Equipment, net | (103) | (125) | (155) | (251) | (213) |
| | Activity Related to Flash Ventures, net | (154) | (53) | (131) | (378) | (198) |
| | Free Cash Flow³ | \$741 | \$761 | \$847 | \$553 | \$616 |
| Working Capital Related | Days Sales Outstanding | 38 | 37 | 37 | 35 | 36 |
| | Days Inventory Outstanding | 66 | 67 | 64 | 62 | 79 |
| | Days Payables Outstanding | (69) | (68) | (64) | (59) | (71) |
| | Cash Conversion Cycle | 35 | 36 | 37 | 38 | 44 |
| | Worldwide Headcount ⁴ | 71,200 | 67,600 | 71,600 | 71,300 | 72,000 |
| HDD Metrics | HDD TAM | 98.8 | 96.4 | 104.1 | 104.8 | N/A ⁵ |
| | HDD Share | 39.6% | 40.8% | 40.5% | 40.4% | N/A ⁵ |
| | HDD Units ⁶ | 39.1 | 39.3 | 42.2 | 42.3 | 36.4 |
| | HDD ASP | \$63 | \$63 | \$61 | \$63 | \$72 |
| | HDD Notebook Units ⁷ | 11.3 | 10.3 | 11.4 | 10.9 | 9.7 |
| | HDD Desktop Units ⁷ | 9.4 | 8.9 | 9.5 | 10.2 | 7.9 |
| | HDD Consumer Electronics Units ⁸ | 7.7 | 9.6 | 10.3 | 8.6 | 6.1 |
| | HDD Branded Units | 4.9 | 4.3 | 4.9 | 5.8 | 5.1 |
| | HDD Enterprise Units | 5.8 | 6.2 | 6.1 | 6.8 | 7.6 |
| Total HDD Units | 39.1 | 39.3 | 42.2 | 42.3 | 36.4 | |

Formulas

Free Cash Flow = Cash Flows provided by Operating Activities – Purchases of Property, Plant and Equipment, Net – Activity Related to Flash Ventures, net

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

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

Days Payables Outstanding (DPO) = Accounts Payable (including Accounts Payable to Related Parties) / (Cost of Revenue / 91 days)

Cash Conversion Cycle = DSO + DIO – DPO

HDD Share = Units (HDD) / TAM (HDD)

HDD ASP = Revenue (HDD) / Units (HDD)

Footnotes

- Client Devices is comprised of notebook and desktop HDD, consumer electronics HDD, client SSD, embedded, wafer sales and licensing and royalties. Client Solutions is comprised of branded HDD, branded flash, removables and licensing and royalties. Data Center Devices and Solutions is comprised of enterprise HDD, enterprise SSD, data center software, data center solutions and licensing and royalties.
- Excludes Non-Memory Products.
- Free cash flow is a non-GAAP financial measure defined as cash flows provided by operating activities less purchases of property, plant and equipment, net of proceeds from sales of property, plant and equipment, and the activity related to Flash Ventures, net. 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, paying dividends and repurchasing stock.
- Worldwide Headcount (rounded to the nearest hundred) excludes temporary and contracted employees.
- HDD TAM and Share are based on market data and provided on a quarter lag based on availability of information.
- HDD Unit volume excludes SSD and media.
- HDD Notebook and Desktop includes shipments to distributors, second/third tier external HDD manufacturers, and white box manufacturers.
- Consumer Electronics includes gaming.

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Debt Tranches and Interest Rates - AS OF DECEMBER 29, 2017

| Debt | Base Rate ^A | Tenor | Maturity | Balance Outstanding as of 12/29/2017 ^B (in millions) | Applicable Rates |
|----------------------------------------|------------------------|---------|------------------|--------------------------------------------------------------------|---------------------|
| Convertible Debt Due 2020 ^C | 0.500% | 7 years | October 15, 2020 | \$35 | 0.500% |
| Revolver drawn ^D | L+175 | 5 years | April 29, 2021 | \$0 | 3.319% |
| Term Loan A ^E | L+175 | 5 years | April 29, 2021 | \$4,022 | 3.342% ^F |
| Term Loan B-3 U.S. Dollar ^E | L+200 | 7 years | April 29, 2023 | \$2,955 | 3.569% |
| Sr. Secured Notes Due 2023 | 7.375% | 7 years | April 1, 2023 | \$1,875 | 7.375% |
| Sr. Unsecured Notes Due 2024 | 10.500% | 8 years | April 1, 2024 | \$3,350 | 10.500% |
| Total | | | | \$12,237 | 5.966% ^G |

Debt Tranches and Interest Rates - AS OF MARCH 30, 2018

Reflects financing actions completed during Q3 2018

| Debt | Base Rate ^H | Tenor | Maturity | Balance Outstanding as of 3/30/2018 ^B (in millions) | Applicable Rates |
|-------------------------------------------|------------------------|---------|-------------------|-------------------------------------------------------------------|---------------------|
| Convertible Debt Due 2020 ^C | 0.500% | 7 years | October 15, 2020 | \$35 | 0.500% |
| Revolver drawn ^I | L+150 | 5 years | February 27, 2023 | \$500 | 3.377% |
| Term Loan A-1 ^E | L+150 | 5 years | February 27, 2023 | \$5,022 | 3.334% ^F |
| Term Loan B-3 U.S. Dollar ^E | L+200 | 7 years | April 29, 2023 | \$2,455 | 3.877% |
| Convertible Debt Due 2024 ^J | 1.500% | 6 years | February 1, 2024 | \$1,100 | 1.500% |
| Sr. Unsecured Notes Due 2026 ^K | 4.750% | 8 years | February 15, 2026 | \$2,300 | 4.750% |
| Total | | | | \$11,412 | 3.552% ^L |

FOOTNOTES:

- A. All-in applicable rates as of December 29, 2017. Applicable spread for Term Loan A, Revolver, and Term Loan B-3 U.S. Dollar over LIBOR based on leverage ratio as of December 29, 2017.
- B. Excluding original issue discount and fees
- C. Debt assumed in connection with the acquisition of SanDisk Corporation in May 2016
- D. Revolver capacity: \$1.5 billion as of December 29, 2017
- E. Term Loan A, Term Loan A-1, and Term Loan B-3 U.S. Dollar have a LIBOR floor of 0bps
- F. Reflects impact of interest rate swap that effectively fixes LIBOR at 1.66% on \$1 billion of floating-rate debt through May 2020
- G. Weighted average interest rate as of December 29, 2017
- H. All-in applicable rates as of March 30, 2018. Applicable spread for Term Loan A-1, Revolver, and Term Loan B-3 U.S. Dollar over LIBOR based on credit rating as of March 30, 2018
- I. Revolver capacity: \$2.25 billion, of which \$500 million was drawn as of March 30, 2018
- J. Initial conversion price of \$121.91 per share. Notes are callable beginning February 5, 2021
- K. Notes are callable beginning November 15, 2025
- L. Weighted average interest rate as of March 30, 2018