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): March 6, 2012

Western Digital Corporation
(Exact name of registrant as specified in its charter)

Delaware	001-08703	33-0956711
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

**3355 Michelson Drive, Suite 100
Irvine, California 92612**
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (949) 672-7000

Not Applicable
(Former name or former address, if changed since last report)

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 1.01 Entry into a Material Definitive Agreement.

Investor Rights Agreement

On March 8, 2012 (the "Closing Date"), Western Digital Corporation (the "Company") entered into an Investor Rights Agreement (the "Investor Rights Agreement") with Hitachi Ltd. ("Hitachi") in connection with the closing (the "Closing") of the acquisition of all of the issued and outstanding paid-up share capital of Viviti Technologies Ltd., formerly known as Hitachi Global Storage Technologies Pte. Ltd. ("HGST"), a wholly owned subsidiary of Hitachi.

Pursuant to the Investors Rights Agreement, Hitachi will have the right, but not the obligation, to designate two individuals (together, the "Hitachi Designees") to serve as directors on the Board of Directors (the "Board") of the Company (the "Hitachi Board Nomination Right"). If Hitachi determines to designate the Hitachi Designees, Hitachi will notify the Company in writing of the names of the Hitachi Designees and, promptly following receipt by the Company of all documentation reasonably requested by the Company in connection with the appointment of the Hitachi Designees, the Company will increase the size of the Board by two and fill the resulting vacancies with the Hitachi Designees in accordance with the Company's bylaws. The Company thereafter will include Hitachi Designees in its slate of nominees for election to the Board at each annual or special meeting of stockholders following the Closing at which directors are to be elected, and recommend that the Company's stockholders vote in favor of the election of Hitachi Designees, support Hitachi Designees for election in a manner no less favorable than how the Company supports its own nominees and use commercially reasonable efforts to cause the election of the Hitachi Designees to the Board.

The Hitachi Board Nomination Right will terminate (i) with respect to one of the Hitachi Designees, at the end of the second full calendar year following the Closing Date, (ii) in the event that Hitachi ceases to beneficially own at least 50% of the shares of Company Stock (as defined in Item 2.01 below), (iii) if Hitachi has first sold at least 10% of the shares of Company Stock, in the event that Hitachi ceases to beneficially own at least 5% of the Company's total issued and outstanding common stock, (iv) upon Hitachi's breach of the standstill or transfer restriction obligations of the Investor Rights Agreement, which are described below, or (v) upon Hitachi's material breach of that certain Agreement Not to Compete entered into between the Company and Hitachi on the Closing Date.

Commencing upon the Closing, Hitachi and its controlled affiliates will be subject to "standstill" restrictions limiting or prohibiting, among other things, directly or indirectly, the acquisition of additional securities of the Company, seeking or proposing a change of control transaction, soliciting proxies from or forming a partnership, limited partnership, syndicate or other group (a "13D Group"), as those terms are used within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), with respect to the equity securities of the Company. Under the Investor Rights Agreement, the standstill period runs until the earlier of (i) a change of control of the Company or (ii) 90 days after the Hitachi Board Nomination Right terminates (as described in the last sentence of the immediately preceding paragraph).

For a period of one year following the Closing, Hitachi will be prohibited from, directly or indirectly, selling or otherwise transferring any of the shares of Company Stock, except with the prior written consent of the Company. In addition, during the term of the Investor Rights Agreement, subject to limited exceptions, Hitachi will be prohibited from, directly or indirectly, selling or otherwise transferring the shares of Company Stock to (i) certain competitors of the Company or affiliates of such competitors designated by the Company and (ii) members of a 13D Group.

Pursuant to the Investor Rights Agreement, Hitachi also has certain registration rights with respect to the shares of Company Stock, including shelf, demand and piggyback registration rights.

Amendment to Stock Purchase Agreement

The information contained in Item 2.01 below concerning an amendment to the Purchase Agreement, dated March 6, 2012, is incorporated herein by reference.

Item 1.02 Termination of a Material Definitive Agreement.

On the Closing Date, concurrent with entering into the Credit Facility (as defined in Item 2.03 below), the existing credit agreement, dated as of February 11, 2008, by and among Western Digital Technologies, Inc., a wholly owned subsidiary of the Company ("WDT"), JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto, terminated.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On the Closing Date, the Company, through Western Digital Ireland, Ltd., an indirect wholly owned subsidiary of the Company ("WDI"), completed the previously announced acquisition (the "Transaction") of all of the issued and outstanding paid-up share capital of HGST pursuant to the terms of that certain Stock Purchase Agreement, dated March 7, 2011, by and among the Company, WDI, Hitachi and HGST (as amended, the "Purchase Agreement"). The consideration paid for the issued and outstanding paid-up share capital of HGST consisted of approximately $3.9 billion in cash and 25 million shares of the Company's common stock (the "Company Stock"), which had an aggregate value of approximately $947 million based on the closing trading price of the Company's common stock of $37.87 on March 7, 2012, the last trading day prior to the Closing. The parties negotiated and agreed to an amendment to the Purchase Agreement, dated March 6, 2012, to address contractual issues that arose leading up to the Closing. As part of the amendment, the Closing Date was set for March 8, 2012 and the cash consideration was increased by approximately $392 million to $3.9 billion through adjustments to provisions of the Purchase Agreement addressing working capital and certain pension obligations of HGST.

Of the cash portion of the purchase price, approximately $585 million was used to pay outstanding debt of HGST at Closing and certain other payments and expenses and approximately $197 million was used for cash payments made in connection with the cancellation of vested stock options, stock appreciation rights ("SARs") and restricted stock units ("RSUs") of HGST as described in the following paragraph. In addition, the cash paid at Closing did not include approximately $207 million attributable to the value of the unvested stock options, SARs and RSUs of HGST that were outstanding at the Closing and were assumed by the Company as described in the following paragraph (such estimate is based on the aggregate difference between the Per Share Closing Payment (as defined below) and the exercise or base price per share of the unvested stock options, SARs and RSUs outstanding at the Closing). The payments made at Closing also gave effect to a working capital adjustment and are subject to certain post-Closing true-up provisions of the Purchase Agreement. The cash portion of the purchase price was funded through borrowings under the Credit Facility (as defined in Item 2.03 below) and cash on hand.

Pursuant to the Purchase Agreement, on the Closing Date, all vested stock options and SARs of HGST that were outstanding on the Closing Date (including any stock options or SARs that became vested in connection with the Transaction) were cancelled in exchange for a cash payment equal to the excess, if any, of the Per Share Closing Payment (as defined below) over the exercise or base price per share of the option or SAR, as applicable. Similarly, any vested RSUs of HGST that were outstanding at the Closing were cancelled in exchange for a cash payment equal to the Per Share Closing Payment. In addition, unvested stock options, SARs and RSUs of HGST that were outstanding at the Closing were assumed by the Company and converted into equivalent option, SAR or RSU awards, as applicable, with respect to shares of the Company's common stock using an equity award exchange ratio equal to the Per Share Closing Payment divided by an amount equal to the average of the last reported sale prices for a single share of the Company's common stock for the ten consecutive trading days ending on and including the third trading day prior to the Closing Date. The "Per Share Closing Payment" is an amount equal to the quotient of (i) the purchase price, as adjusted, increased by the aggregate exercise or base price of the vested and unvested options and SARs, and (ii) the fully diluted number of shares in the capital of HGST (including shares subject to vested and unvested stock options, SARs and RSUs).

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On the Closing Date, and in connection with the Transaction, the Company, WDI and WDT entered into a Credit Agreement with Bank of America, N.A., as administrative agent, swing line lender and L/C issuer, and the lenders party thereto (the "Credit Facility").

The Credit Facility provides for $2.8 billion of unsecured loan facilities consisting of a $2.3 billion term loan facility and a $500 million revolving credit facility. The borrower under the term loan facility is WDI and the borrowers under the revolving credit facility are WDI and WDT (WDI and WDT are hereinafter referred to as the "Borrowers"). The revolving credit facility includes a $50 million sublimit for letters of credit and a $20 million sublimit for swing line loans. In addition, a Borrower may elect to expand the credit facilities by up to $500 million if existing or new lenders provide additional term or revolving commitments.

The obligations of the Borrowers under the Credit Facility are guarantied by the Company and the Company's material domestic subsidiaries, and the obligations of WDI under the Credit Facility are also guarantied by WDT, in each case, as further provided in the Credit Facility.

The $2.3 billion term loans and $500 million revolving loans were borrowed on the Closing Date and were used to finance a portion of the purchase price of the Transaction, to refinance the existing term loans of WDT, and to pay fees, costs and expenses in connection with the Transaction and the transactions contemplated by the Credit Facility. Revolving loans may be used by the Borrowers from time to time for working capital, capital expenditures and other lawful corporate purposes (including permitted acquisitions).

Borrowings under the Credit Facility bear interest at a rate equal to, at the option of the applicable Borrower, either (a) a LIBOR rate, subject to certain exceptions, determined by the British Bankers Association LIBOR Rate for the interest period relevant to such borrowing (the "Eurodollar Rate") or (b) a base rate determined by reference to the higher of (i) the federal funds rate plus 0.50%, (ii) the prime rate as announced by Bank of America, N.A. and (iii) the Eurodollar Rate plus 1.00% (the "Base Rate"), in each case plus an applicable margin. The applicable margin for borrowings under the Credit Facility ranges from 1.50% to 2.50% with respect to borrowings at the Eurodollar Rate and 0.50% to 1.50% with respect to borrowings at the Base Rate. The applicable margins for borrowings under the Credit Facility are determined based upon a leverage ratio of the Company and its subsidiaries calculated on a consolidated basis.

In addition to paying interest on outstanding principal under the Credit Facility, the Borrowers are required to pay a facility fee to the lenders under the revolving credit facility in respect of the aggregate revolving commitments thereunder. The facility fee rate ranges from 0.25% to 0.50% per annum and is determined based upon a leverage ratio of the Company and its subsidiaries calculated on a consolidated basis. The Borrowers are also required to pay letter of credit fees (a) to the revolving credit facility lenders on the aggregate face amount of all outstanding letters of credit equal to an applicable margin in effect with respect to the Eurodollar Rate borrowings and (b) to the letter of credit issuer computed at a rate equal to 0.125% per annum on the face amount of the letter of credit, plus such letter of credit issuer's customary documentary and processing fees and charges.

Beginning on March 30, 2012, WDI is required under the term loan facility to make regularly scheduled payments of principal in quarterly installments equal to $57.5 million.

The Credit Facility requires the Company to comply with a leverage ratio and an interest coverage ratio calculated on a consolidated basis for the Company and its subsidiaries. In addition, the Credit Facility contains customary covenants, including covenants that limit or restrict the Company's and its subsidiaries' ability to: incur liens, incur indebtedness, make certain restricted payments, merge or consolidate and enter into certain speculative hedging arrangements. Upon the occurrence of an event of default under the Credit Facility, the lenders may cease making loans, terminate the Credit Facility and declare all amounts outstanding to be immediately due and payable. The Credit Facility specifies a number of events of default (some of which are subject to applicable grace or cure periods), including, among other things, non-payment defaults, covenant defaults, cross-defaults to other material indebtedness, bankruptcy and insolvency defaults and material judgment defaults.

Item 3.02 Unregistered Sales of Equity Securities.

In connection with the Closing of the Transaction, WDI delivered the Company Stock to Hitachi on the Closing Date. The issuance of the Company Stock by the Company to WDI and WDI's delivery of the Company Stock to Hitachi were made pursuant to the exemptions from registration provided by Sections 4(2) and 4(1), respectively, of the Securities Act of 1933, as amended (the "Securities Act").

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of New Officer

On March 7, 2012, in connection with the Transaction, the Board appointed HGST's President and Chief Executive Officer, Stephen Milligan, as President of the Company, effective as of the Closing. Mr. Milligan's appointment as President of the Company was made pursuant to the terms of that certain Employment Agreement, dated as of March 7, 2011, by and between the Company and Mr. Milligan (the "Milligan Employment Agreement").

Prior to the Closing Date, Mr. Milligan (age 48) served as President of HGST since March 2009 and Chief Executive Officer of HGST since December 2009. From September 2007 to October 2009, Mr. Milligan served as HGST's Chief Financial Officer. From September 2007 to June 2008 and since March 2009, Mr. Milligan has served as a Director of HGST. Mr. Milligan served as Senior Vice President and Chief Financial Officer of the Company from January 2004 to September 2007, and as Vice President, Finance, of the Company from September 2002 to January 2004. From April 1997 to September 2002, Mr. Milligan held various financial and accounting roles of increasing responsibility at Dell Inc., or Dell. Prior to joining Dell, Mr. Milligan was employed at Price Waterhouse for 12 years, most recently as Senior Manager. Mr. Milligan holds a Bachelor of Science degree in Accounting from The Ohio State University. Mr. Milligan has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Pursuant to the Milligan Employment Agreement, Mr. Milligan's employment commenced on the Closing Date and has a five-year term. The material terms of the Milligan Employment Agreement, including the compensation and benefits that Mr. Milligan will be entitled to receive in connection with his commencement of employment with the Company, are described in the Company's Current Report on Form 8-K filed on March 7, 2011, and such description is incorporated herein by reference.

New Employment Agreement Effective

As of the Closing Date, that certain Employment Agreement, dated as of March 7, 2011, by and between the Company and its Chief Operating Officer, Timothy Leyden (the "Leyden Employment Agreement"), became effective. The material terms of the Leyden Employment Agreement are described in the Company's Current Report on Form 8-K filed on March 7, 2011, including the compensation and benefits that Mr. Leyden will be entitled to receive pursuant to the Leyden Employment Agreement, and such description is incorporated herein by reference.

Creation of Office of the Chief Executive Officer

On March 7, 2012, the Board established an Office of the Chief Executive Officer (the "Office of the Chief Executive Officer"), to help guide the strategic direction and leadership of the Company. The members of the Office of the Chief Executive Officer consist of the Company's Chief Executive Officer, John Coyne, the Company's Chief Operating Officer, Timothy Leyden, the Company's newly appointed President, Stephen Milligan, and the Company's Senior Vice President and Chief Financial Officer, Wolfgang Nickl.

Item 7.01 Regulation FD Disclosure.

The Company's press release announcing the completion of the acquisition of HGST and related matters is attached hereto as Exhibit 99.1 and is incorporated herein by reference. In addition, a copy of an Investor Information Summary, which will be posted on the Investor Relations section of the Company's corporate website at www.westerndigital.com, is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 7.01, including Exhibit 99.1 and Exhibit 99.2, shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

Financial statements relating to the Transaction are not included in this Current Report on Form 8-K, and to the extent required by this Item 9.01, will be filed by amendment to this Current Report on Form 8-K within seventy-one (71) calendar days from the date that this Current Report on Form 8-K is required to be filed.

(b) Pro Forma Financial Information.

Pro forma financial information relating to the Transaction is not included in this Current Report on Form 8-K, and to the extent required by this Item 9.01, will be filed by amendment to this Current Report on Form 8-K within seventy-one (71) calendar days from the date that this Current Report on Form 8-K is required to be filed.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release, dated March 8, 2012
99.2	Investor Information Summary

SIGNATURES

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.

WESTERN DIGITAL CORPORATION

By: /s/ Michael C. Ray

Michael C. Ray
Senior Vice President, General Counsel and Secretary

Date: March 9, 2012

Exhibit 99.1

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WD® COMPLETES ACQUISITION OF HITACHI GLOBAL STORAGE TECHNOLOGIES

Creates the Industry's Deepest Technology Capability and Broadest Product Portfolio

IRVINE, Calif.—Mar. 8, 2012—Western Digital Corp. (NYSE: WDC) today announced that it has completed its acquisition of Viviti Technologies Ltd. (formerly Hitachi Global Storage Technologies), effective Mar. 8, 2012, for $3.9 billion in cash and 25 million shares of WDC common stock valued at approximately $0.9 billion[1]. Hitachi, Ltd. now owns approximately 10 percent of WDC shares outstanding, and it has the right to designate two individuals to the board of directors of WD.

The new WD will operate with WD Technologies (WD) and HGST as wholly owned subsidiaries. Aggregated revenues of the two companies in 2011 were $15 billion. As chief executive officer of WD, John Coyne heads up the new office of the CEO, with Steve Milligan as president, Tim Leyden as chief operating officer and Wolfgang Nickl as chief financial officer.

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1 Valued as of closing price on Mar. 7, 2012.

"The completion of this acquisition is a truly momentous event in the 42-year history of our company," said Coyne. "With ownership of two successful companies and the best talent available in the industry, we expect to accomplish great things as we build the new WD to be the world's leading storage solutions provider with the industry's deepest technology capability, broadest product portfolio and best-in-class execution. Similar to successful multi-brand models in other industries, the two subsidiaries will compete in the marketplace with separate brands and product lines while sharing common values of customer delight, value creation, consistent profitability and growth."

A recently updated HDD forecast by IDC predicts industry revenue growth at a compound annual growth rate of 8.6 percent per year from 2011 to 2016.[2] "The growth in demand for digital storage continues unabated driven by the expansion of digital content in consumer and commercial applications," said John Rydning, research vice president, hard disk drives & semiconductors, IDC. "Mobility, cloud infrastructure, social business, and big data analytics are stimulating demand for digital content in new formats and new market segments, creating the need for an increasingly diverse set of storage products and technology capabilities from storage solutions providers." "With a significantly broadened customer base and expanded resources, the new WD is in a strong position to seize the growth opportunity in stored digital content," said Coyne. "We have acquired a strong presence in the traditional enterprise market, substantially increased our presence in the industry's fastest-growing segments—cloud and mobility—and improved our capability to address new market initiatives such as enterprise SSD, storage solutions for small business and low-profile HDDs and hybrid drives for Ultrabooks™. As a result, WD is better positioned than ever for success."

[2] "IDC Worldwide Hard Disk Drive 2011-2016 Forecast: The Industry Hits the Reset Button", (IDC Doc # 233547), March 2012

The cash portion of the purchase price was financed by a $2.3 billion, five-year term loan, short-term financing under a $500 million revolving credit agreement and existing company cash balances. The company expects the transaction to be immediately accretive to earnings per share on a non-GAAP basis, excluding acquisition-related expenses, restructuring charges and amortization of intangibles. In addition, the company expects to maintain a positive net cash position.

Supplemental information regarding the HGST acquisition can be found on the WD website at http://www.wdc.com/wdproducts/library/company/investor/SupplementalInformation.pdf. For additional information, please visit http://www.wdc.com/en/company/hgst/.

About WD

WD, a storage industry pioneer and long-time leader, provides products and services for people and organizations that collect, manage and use digital information. The company designs and produces reliable, high-performance hard drives and solid state drives that keep users' data accessible and secure from loss. Its storage technologies serve a wide range of host applications including client and enterprise computing, embedded systems and consumer electronics, as well as its own storage systems. Its home entertainment products enable rich engagement with stored digital content.

WD was founded in 1970. The company's products are marketed to leading OEMs, systems manufacturers, selected resellers and retailers under the Western Digital®, WD® and HGST™ brand names. Visit the Investor section of the company's website (www.westerndigital.com) to access a variety of financial and investor information.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When used, the words "anticipates", "believes", "expects", "may", "should" and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, but are not limited to, statements relating to the anticipated benefits of the HGST acquisition, the company's expectation that the HGST acquisition will be immediately accretive to earnings on a non-GAAP basis (excluding acquisition-related expenses, restructuring charges and amortization of intangibles), the company's expectation that it will maintain a positive net cash position, statements concerning growth in demand for digital storage and the statement that the company is well positioned for continued success. These forward-looking statements are based on management's current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, including, but not limited to, the possibility that the expected benefits of the HGST acquisition may not materialize as expected; higher than anticipated recovery costs associated with the 2011 Thailand floods; unfavorable changes in the results of the company's operations which adversely impact its ability to comply with financial covenants in its debt agreement entered into in connection with the acquisition; the commitments made pursuant to the regulatory approvals described below; and other risks and uncertainties listed in the company's filings with the Securities and Exchange Commission (the "SEC"), including the company's recent Form 10-Q filed with the SEC on January 27, 2012, to which your attention is directed. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, and the company undertakes no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

Regulatory Approvals: In connection with obtaining the regulatory approvals required to complete the acquisition of HGST, WD agreed, (i) subject to review by regulatory agencies in certain jurisdictions, to divest certain assets to Toshiba Corporation that will enable Toshiba to manufacture 3.5-inch hard drives for the desktop and consumer electronics markets and will expand Toshiba's capacity to manufacture and sell 3.5-inch hard drives for near-line (business critical) applications and (ii) to conditions required by the Chinese Ministry of Commerce ("MOFCOM") including adopting measures to keep HGST as an independent competitor until MOFCOM agrees otherwise (the minimum period is two years). Compliance with these undertakings may limit synergies that could otherwise be achieved and involve significant costs or require changes in business practices that result in reduced revenue.

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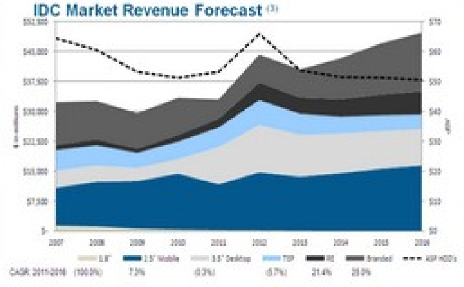
WD-HGST Acquisition Financial Summary

Operating Results (1)

Amounts in millions; except per share amounts, ASPs and percentages	CY2009 WDC	CY2009 HGST	CY2010 WDC	CY2010 HGST	CY2011 WDC	CY2011 HGST
Units (HDD)	165	91	204	114	190	106
ASP	$51	$53	$49	$53	$49	$55
Revenue	$8,347	$4,829	$9,854	$5,987	$9,344	$5,773
Gross Margin	1,824	880	2,112	1,527	2,068	1,427
Gross Margin %	22%	18%	21%	26%	22%	25%
R&D	553	532	650	628	751	682
SG&A	214	252	250	270	296	287
Other	(5)	17	27	6	270	1
Total Operating Expenses	762	801	927	904	1,317	970
Operating Income	1,062	79	1,185	623	751	457
Net Income	963	45	1,087	617	688	435
EPS	$4.21	n/a	$4.63	n/a	$2.90	n/a
Diluted Shares Outstanding	229	n/a	235	n/a	237	n/a
Non-GAAP Results (4)						
Operating Income	1,057	n/a	1,212	n/a	1,021	n/a
Net Income	958	n/a	1,114	n/a	966	n/a
EPS	$4.18	n/a	$4.74	n/a	$4.08	n/a
Cash Flow From Operations	1,695	534	1,846	633	1,490	848
Capital Expenditures	592	188	812	480	582	361
Free Cash Flow (5)	1,103	346	1,034	153	908	487
EBITDA (6)	1,550	478	1,748	1,018	1,350	857
Adjusted EBITDA (6)	1,545	n/a	1,775	n/a	1,620	n/a
Revenue by Channel:						
OEM	51%	82%	49%	82%	54%	84%
Distributors	30%	16%	32%	17%	29%	15%
Retail	19%	2%	19%	1%	17%	1%
Revenue by Geography:						
Americas	24%	17%	24%	17%	21%	23%
Europe	24%	16%	23%	15%	22%	16%
Asia	52%	67%	53%	68%	57%	61%
Unit Shipments:						
Compute Units (Notebook & Desktop)	125	65	151	79	138	66
Non-Compute Units (Consumer Electronics & Branded)	34	17	44	23	43	24
Enterprise Units (Traditional & Non-Traditional)	6	9	9	12	9	15
Total HDD Units	165	91	204	114	190	106

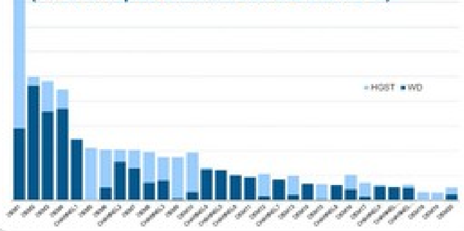
IDC Market Revenue Forecast (3)



Revenue (1)

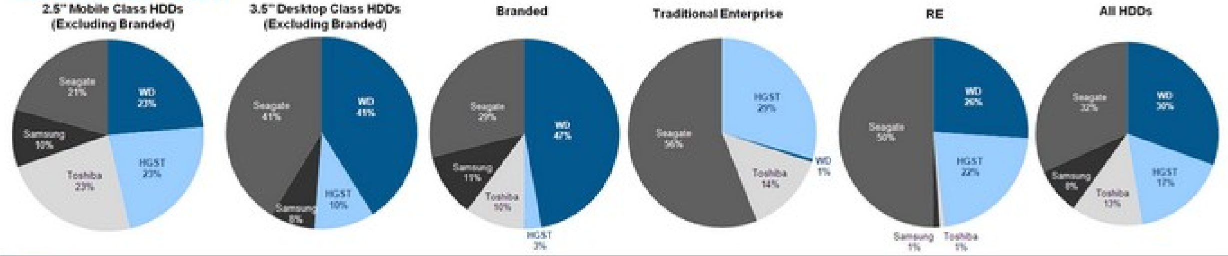
Complementary Revenue Sources (2)

(CY 2011 Top 20 Customers for WD and HGST)*



Cash Flow from Operations (1)

Unit Market Share – CY2011 (3)



Notes

Please refer to page two for footnotes and reconciliations

* Reflects aggregated revenue for each company's top 20 customers which may include revenue for customers outside of either company's top 20 customers.

Footnotes

(1) Sources: Form 10-Q and earnings release for WDC; internal financials for HGST. The financial information about WDC and HGST provided herein reflects the historical results of operations of WDC and HGST for the periods presented and is provided for information purposes only. Such historical financial information is not intended to represent or be indicative of the consolidated results of operations of WDC if the acquisition of HGST had been completed for the periods presented, and should not be taken as a representation of the future consolidated results of operations or financial position of WDC. The effect of the acquisition of HGST on WDC's future consolidated results of operations or financial position will be impacted by a number of factors, including WDC's undertakings made to various regulatory agencies in connection with obtaining required regulatory approvals for the HGST acquisition, including WDC's commitment to divest certain assets to Toshiba Corporation that will enable Toshiba Corporation to manufacture and sell 3.5-inch hard drives, and the conditions required by the Chinese Ministry of Commerce ("MOFCOM"), including adopting measures to keep HGST as an independent competitor until MOFCOM agrees otherwise (the minimum period is two years).

(2) Sources: Internal financials for WDC and HGST

(3) Source: International Data Corporation (IDC) as of February 14, 2012 (Market Revenue Forecast) and February 27, 2012 (Unit Market Share)

(4) Non-GAAP operating income and non-GAAP net income exclude a $14 million in-process research and development charge related to the acquisition of SiliconSystems Inc., an $18 million gain on sale of assets from the company's media substrate manufacturing facility in Sarawak, Malaysia and $1 million of income from the resolution of restructuring accruals in 2009. For 2010, non-GAAP operating income and non-GAAP net income excludes $27 million of expense related to litigation settlements. For 2011, non-GAAP operating income and non-GAAP net income exclude $199 million of charges and expenses related to the Thailand flooding, $39 million of acquisition-related expenses and $32 million of litigation accruals. Non-GAAP net income in 2011 additionally excludes $8 million of acquisition-related expenses.

(5) Free cash flow is a non-GAAP measure defined as cash flow from operations less capital expenditures. A reconciliation of free cash flow to cash flow from operations, the most directly comparable GAAP measure, is provided in the table of Operating Results on page one.

(6) EBITDA is a non-GAAP measure defined as net income before interest, income tax expense, depreciation and amortization. Adjusted EBITDA is EBITDA excluding a $14 million in-process research and development charge related to the acquisition of SiliconSystems Inc., an $18 million gain on sale of assets from the company's media substrate manufacturing facility in Sarawak, Malaysia and $1 million of income from the resolution of restructuring accruals in 2009. For 2010, Adjusted EBITDA is EBITDA excluding $27 million of expense related to litigation settlements. For 2011, Adjusted EBITDA is EBITDA excluding $199 million of charges and expenses related to the Thailand flooding and $39 million of acquisition-related expenses and $32 million of litigation accruals. A reconciliation of EBITDA and Adjusted EBITDA to net income, the most directly comparable GAAP measure, is provided below:

	CY2009 WDC	CY2009 HGST	CY2010 WDC	CY2010 HGST	CY2011 WDC	CY2011 HGST
Reconciliation of Net Income to Adjusted EBITDA						
Net Income	$963	$45	$1,087	$617	$688	$435
Interest (Income) Expense	9	6	3	(9)	4	1
Income Tax Expense	90	28	95	15	59	21
Depreciation and Amortization	488	399	563	395	599	400
EBITDA	$1,550	$478	$1,748	$1,018	$1,350	$857
In-Process Research and Development Charge	14					
Gain on Sale of Assets	(18)					
Resolution of Restructuring Accruals	(1)					
Litigation Accruals			27		32	
Acquisition-Related Expense					39	
Thailand Flooding Charges and Expense					199	
Adjusted EBITDA	$1,545	n/a	$1,775	n/a	$1,620	n/a