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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported): April 24, 2013**

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**Western Digital Corporation**

(Exact Name of Registrant as Specified in its Charter)

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**Delaware**  
(State or Other Jurisdiction  
of Incorporation or Organization)

**001-08703**  
(Commission  
File Number)

**33-0956711**  
(I.R.S. Employer  
Identification No.)

**3355 Michelson Drive, Suite 100**  
**Irvine, California**  
(Address of Principal Executive Offices)

**92612**  
(Zip Code)

**(949) 672-7000**  
(Registrant's Telephone Number, Including Area Code)

**Not applicable**  
(Former name or former address, if changed since last report.)

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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:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 240.425)
  - 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))
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**Item 2.02 Results of Operations and Financial Condition.**

On April 24, 2013, Western Digital Corporation (“Western Digital”) announced financial results for the third fiscal quarter ended March 29, 2013. A copy of the press release making this announcement is attached hereto as Exhibit 99.1 and is incorporated herein by reference. A copy of Western Digital’s Quarterly Fact Sheet for the third quarter ended March 29, 2013 is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

In Western Digital’s press release attached as Exhibit 99.1 hereto, Western Digital reports certain financial information, including net income and earnings per share on both a GAAP and a non-GAAP basis for the third fiscal quarter ended March 29, 2013. These non-GAAP measures exclude amortization of intangibles related to the HGST acquisition and certain employee termination benefits and other unrelated charges. Because management believes these expenses may not be indicative of ongoing operations, management believes that the non-GAAP measures presented in the press release are useful to investors as an alternative method for measuring Western Digital’s operating performance and comparing it against prior periods’ performance.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 2.02, including Exhibit 99.1 and Exhibit 99.2, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (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 of 1933, as amended (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.**

(d) Exhibits

- 99.1 Press Release issued by Western Digital Corporation on April 24, 2013 announcing financial results for the third fiscal quarter ended March 29, 2013.
- 99.2 Third Quarter Fiscal Year 2013 Western Digital Corporation Quarterly Fact Sheet.

**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, thereunto duly authorized.

**Western Digital Corporation**  
*(Registrant)*

Date: April 24, 2013

By: \_\_\_\_\_  
/s/ Michael C. Ray  
Michael C. Ray  
Senior Vice President, General Counsel  
and Secretary

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**FOR IMMEDIATE RELEASE:**

**WESTERN DIGITAL® ANNOUNCES Q3 REVENUE OF \$3.8 BILLION AND  
NON-GAAP NET INCOME OF \$514 MILLION, OR \$2.10 PER SHARE<sup>1</sup>**

IRVINE, Calif. — Apr. 24, 2013 — Western Digital® Corp. (NASDAQ: WDC) today reported revenue of \$3.8 billion, hard-drive shipments of 60.2 million and net income of \$391 million, or \$1.60 per share for its third fiscal quarter ended Mar. 29, 2013. On a non-GAAP basis, net income was \$514 million or \$2.10 per share.<sup>1</sup> In the year-ago quarter, the company reported revenue of \$3.0 billion, net income of \$483 million, or \$1.96 per share, and shipped 44.2 million hard drives. Non-GAAP net income in the year-ago quarter was \$619 million, or \$2.52 per share.<sup>2</sup>

The company generated \$727 million in cash from operations during the March quarter, ending with total cash and cash equivalents of \$4.1 billion. During the quarter, the company utilized \$243 million to buy back 5.2 million shares of common stock. On Feb. 14, the company declared a \$0.25 per common share dividend, which was paid on Apr. 15.

“Strong execution by our HGST and WD subsidiaries drove outstanding results in the March quarter as we continue to capitalize on the secular growth of digital data,” said Steve Milligan, president and chief executive officer. “Overall industry demand was in line with our expectations. In our business, we saw strength in enterprise, stable performance in client and consumer electronics, and some anticipated seasonal softness in Branded Products.”

The investment community conference call to discuss these results will be broadcast live over the Internet today at 2 p.m. Pacific/5 p.m. Eastern. The live and archived conference call webcast can be accessed online at [investor.wdc.com](http://investor.wdc.com). The telephone replay number is 800-685-1235 in the U.S. or +1-203-369-3419 for international callers.

## About Western Digital

Western Digital Corp. (NASDAQ: WDC), Irvine, Calif., is a global provider of products and services that empower people to create, manage, experience and preserve digital content. Its subsidiaries design and manufacture storage devices, networking equipment and home entertainment products under the WD®, HGST and G-Technology brands. Visit the Investor section of the company's website ([www.westerndigital.com](http://www.westerndigital.com)) to access a variety of financial and investor information.

This press release contains a forward-looking statement within the meaning of the Private Securities Litigation Reform Act of 1995 concerning the growth of digital data. This forward-looking statement is based on management's current expectations and is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statement, including the impact of continued uncertainty and volatility in global economic conditions; supply and demand conditions in the hard drive industry; uncertainties concerning the availability and cost of commodity materials and specialized product components; actions by competitors; unexpected advances in competing technologies; uncertainties related to the development and introduction of products based on new technologies and expansion into new data storage markets; business conditions and growth in the various hard drive markets; pricing trends and fluctuations in average selling prices; 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 Feb. 1, 2013, to which your attention is directed. Readers are cautioned not to place undue reliance on this forward-looking statement, which speaks only as of the date hereof, and the company undertakes no obligation to update this forward-looking statement to reflect subsequent events or circumstances.

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Western Digital, WD and the WD logo are registered trademarks in the U.S. and other countries. Other marks may be mentioned herein that belong to other companies.

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<sup>1</sup> Non-GAAP net income for the third quarter fiscal 2013 consists of GAAP net income of \$391 million plus \$49 million of amortization of intangibles related to the acquisition of HGST and \$74 million related to employee termination benefits and other unrelated charges. Non-GAAP earnings per share of \$2.10 for the third quarter is calculated by using the same 245 million diluted shares as is used for GAAP earnings per share. The tax effect of the aforementioned items was not material.

<sup>2</sup> Non-GAAP net income for the third quarter fiscal 2012 consists of GAAP net income of \$483 million plus \$103 million for costs recognized upon the sale of inventory that was written-up to fair value and amortization of intangibles related to the acquisition of HGST, \$34 million of acquisition-related expenses and \$15 million for charges and expenses related to the flooding net of recoveries, less \$16 million of tax effects related to the aforementioned items. Non-GAAP earnings per share of \$2.52 for the third quarter is calculated by using the same 246 million diluted shares as is used for GAAP earnings per share.

**WESTERN DIGITAL CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in millions; unaudited)

	<u>Mar. 29,</u> <u>2013</u>	<u>Jun. 29,</u> <u>2012</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 4,060	\$ 3,208
Accounts receivable, net	1,700	2,364
Inventories	1,197	1,210
Other	383	359
Total current assets	7,340	7,141
Property, plant and equipment, net	3,803	4,067
Goodwill	1,954	1,975
Other intangible assets, net	656	799
Other assets	174	224
Total assets	<u>\$13,927</u>	<u>\$14,206</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 2,037	\$ 2,773
Accrued expenses	837	858
Accrued warranty	122	171
Current portion of long-term debt	230	230
Total current liabilities	3,226	4,032
Long-term debt	1,783	1,955
Other liabilities	495	550
Total liabilities	5,504	6,537
Total shareholders' equity	8,423	7,669
Total liabilities and shareholders' equity	<u>\$13,927</u>	<u>\$14,206</u>

## WESTERN DIGITAL CORPORATION

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share amounts)  
(unaudited)

	Three Months Ended		Nine Months Ended	
	Mar. 29, 2013	Mar. 30, 2012	Mar. 29, 2013	Mar. 30, 2012
Revenue, net	\$ 3,764	\$ 3,035	\$ 11,623	\$ 7,724
Cost of revenue	2,703	2,058	8,310	5,558
Gross profit	1,061	977	3,313	2,166
Operating expenses:				
Research and development	396	265	1,170	649
Selling, general and administrative	185	155	526	340
Employee termination benefits and other charges	63	—	130	—
Charges related to flooding, net	—	15	—	214
Total operating expenses	644	435	1,826	1,203
Operating income	417	542	1,487	963
Net interest and other	(11)	(4)	(35)	(8)
Income before income taxes	406	538	1,452	955
Income tax provision	15	55	207	88
Net income	\$ 391	\$ 483	\$ 1,245	\$ 867
Income per common share:				
Basic	\$ 1.64	\$ 2.00	\$ 5.14	\$ 3.67
Diluted	\$ 1.60	\$ 1.96	\$ 5.02	\$ 3.61
Weighted average shares outstanding:				
Basic	239	241	242	236
Diluted	245	246	248	240



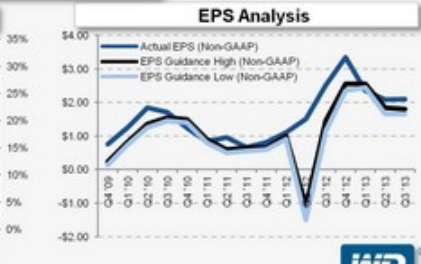
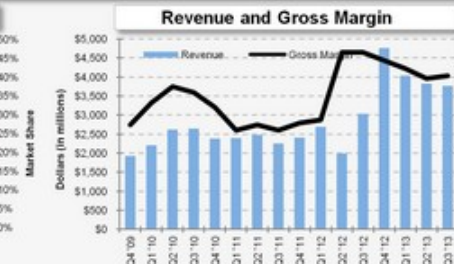
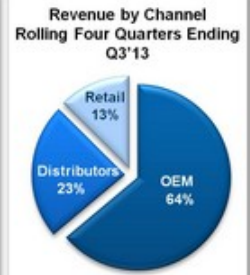
## WESTERN DIGITAL CORPORATION

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions; unaudited)

	Three Months Ended		Nine Months Ended	
	Mar. 29, 2013	Mar. 30, 2012	Mar. 29, 2013	Mar. 30, 2012
<b>Cash flows from operating activities</b>				
Net income	\$ 391	\$ 483	\$1,245	\$ 867
Adjustments to reconcile net income to net cash provided by operations:				
Depreciation and amortization	309	188	931	486
Stock-based compensation	36	20	107	61
Deferred income taxes	(9)	24	59	42
Non-cash portion of employee termination benefits and other charges	1	—	16	—
Non-cash portion of charges related to flooding	—	10	—	119
Changes in operating assets and liabilities, net	(1)	483	77	363
Net cash provided by operating activities	<u>727</u>	<u>1,208</u>	<u>2,435</u>	<u>1,938</u>
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment	(188)	(139)	(816)	(393)
Acquisitions, net	26	(3,541)	(1)	(3,541)
Purchase of investments	(2)	—	(17)	—
Net cash used in investing activities	<u>(164)</u>	<u>(3,680)</u>	<u>(834)</u>	<u>(3,934)</u>
<b>Cash flows from financing activities</b>				
Employee stock plans, net	39	29	152	49
Repurchases of common stock	(243)	—	(607)	—
Dividends to shareholders	—	—	(121)	—
Proceeds from debt, net of issuance costs	—	2,775	—	2,775
Repayment of assumed debt	—	(585)	—	(585)
Repayment of debt	(115)	(288)	(173)	(350)
Net cash provided by (used in) financing activities	<u>(319)</u>	<u>1,931</u>	<u>(749)</u>	<u>1,889</u>
Effect of exchange rate changes on cash	—	(6)	—	(6)
Net increase (decrease) in cash and cash equivalents	244	(547)	852	(113)
Cash and cash equivalents, beginning of period	3,816	3,924	3,208	3,490
Cash and cash equivalents, end of period	<u>\$4,060</u>	<u>\$ 3,377</u>	<u>\$4,060</u>	<u>\$ 3,377</u>

	Q4			Q1			Q2			Q3			Q4			Q1			Q2			Q3		
	FY09	FY10	FY10	FY10	FY10	FY10	FY11	FY11	FY11	FY11	FY11	FY11	FY12	FY12	FY12	FY12	FY12	FY12	FY13	FY13	FY13			
TAM	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	139.1	135.8	135.4								
Share	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%	43.6%	44.4%								
Units (HDD)	40.0	44.1	49.5	51.1	49.7	50.7	52.2	49.8	53.8	57.8	28.5	44.2	71.0	62.5	59.2	60.2								
ASP (HDD)	\$46	\$49	\$52	\$51	\$47	\$46	\$47	\$45	\$44	\$46	\$59	\$68	\$55	\$62	\$62	\$61								
Revenue	\$1,928	\$2,208	\$2,619	\$2,641	\$2,382	\$2,396	\$2,475	\$2,282	\$2,403	\$2,694	\$1,995	\$3,035	\$4,754	\$4,035	\$3,824	\$3,764								
Gross Profit	\$370	\$514	\$687	\$665	\$535	\$437	\$475	\$410	\$469	\$541	\$648	\$1,077	\$1,511	\$1,231	\$1,097	\$1,099								
Gross Margin	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%	27.7%	28.2%								
R&D	\$132	\$142	\$154	\$160	\$154	\$167	\$169	\$179	\$188	\$193	\$191	\$265	\$406	\$396	\$378	\$396								
SG&A	\$52	\$53	\$60	\$64	\$61	\$59	\$66	\$63	\$77	\$71	\$85	\$122	\$178	\$179	\$182	\$185								
Other (\$23)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-								
Total Operating Expenses	\$161	\$195	\$214	\$224	\$242	\$226	\$235	\$252	\$297	\$328	\$486	\$435	\$664	\$601	\$581	\$644								
Operating Income	\$209	\$319	\$473	\$441	\$293	\$211	\$240	\$158	\$172	\$259	\$162	\$542	\$808	\$592	\$478	\$417								
Net Income	\$196	\$288	\$429	\$400	\$265	\$197	\$225	\$156	\$163	\$239	\$145	\$483	\$745	\$519	\$335	\$391								
EPS	\$0.85	\$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	\$1.36	\$1.60								
Diluted Shares Outstanding	227	230	232	234	235	234	235	236	237	237	237	246	260	252	246	245								



Note: Refer to "Non-GAAP Financial Measures" for information about non-GAAP financial measures included in this investor summary



	Q4			Q1			Q2			Q3			Q4			Q1			Q2			Q3		
	FY09	FY10	FY10	FY10	FY10	FY11	FY11	FY11	FY11	FY12	FY12	FY12	FY12	FY12	FY13	FY13	FY13							
Cash and Cash Equivalents	\$1,704	\$2,056	\$2,435	\$2,626	\$2,734	\$2,658	\$3,110	\$3,230	\$3,490	\$3,675	\$3,924	\$3,377	\$3,208	\$3,537	\$3,816	\$4,080								
Debt	\$482	\$463	\$444	\$426	\$420	\$373	\$350	\$328	\$324	\$263	\$231	\$243	\$218	\$218	\$218	\$218								
Net Cash and Cash Equivalents	\$1,312	\$1,593	\$1,991	\$2,401	\$2,314	\$2,485	\$2,760	\$2,905	\$3,166	\$3,412	\$3,693	\$3,134	\$3,023	\$3,319	\$3,668	\$3,862								
Cash Flow From Operations	\$349	\$434	\$557	\$588	\$363	\$390	\$505	\$313	\$447	\$352	\$378	\$1,208	\$1,128	\$936	\$772	\$727								
Free Cash Flow	\$238	\$258	\$358	\$411	\$178	\$190	\$255	\$138	\$284	\$218	\$258	\$1,069	\$904	\$654	\$526	\$539								
Capital Expenditures	\$111	\$176	\$199	\$177	\$185	\$200	\$250	\$175	\$153	\$134	\$120	\$139	\$324	\$382	\$246	\$188								
Depreciation and Amortization	\$322	\$121	\$126	\$128	\$134	\$150	\$151	\$151	\$150	\$158	\$140	\$168	\$339	\$313	\$309	\$309								
EBITDA	\$131	\$440	\$599	\$569	\$427	\$381	\$391	\$309	\$322	\$417	\$302	\$730	\$1,147	\$905	\$787	\$726								
Accounts Receivable, Net	\$926	\$1,131	\$1,365	\$1,257	\$1,256	\$1,325	\$1,250	\$1,171	\$1,206	\$1,396	\$747	\$2,377	\$2,364	\$1,951	\$1,732	\$1,700								
Raw Materials	\$97	\$96	\$102	\$115	\$159	\$155	\$141	\$151	\$172	\$170	\$191	\$329	\$245	\$237	\$193	\$191								
Work in Process	\$154	\$173	\$212	\$254	\$255	\$266	\$274	\$260	\$263	\$275	\$185	\$667	\$552	\$599	\$581	\$583								
Finished Goods	\$120	\$126	\$139	\$138	\$146	\$140	\$153	\$163	\$142	\$200	\$80	\$288	\$413	\$508	\$430	\$423								
Inventory, Net	\$376	\$395	\$453	\$507	\$560	\$561	\$568	\$574	\$577	\$645	\$466	\$1,282	\$1,210	\$1,304	\$1,204	\$1,197								
Property, Plant and Equipment, Net	\$1,584	\$1,625	\$1,696	\$1,756	\$2,199	\$2,245	\$2,277	\$2,249	\$2,224	\$2,209	\$2,091	\$4,171	\$4,067	\$4,027	\$3,938	\$3,803								
Accounts Payable	\$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	\$2,185	\$2,037								
Days Sales Outstanding	47	47	47	43	48	50	46	47	46	46	34	71	45	44	41	41								
Days Inventory Outstanding	24	21	21	23	28	26	28	27	27	27	31	57	34	42	40	40								
Days Payables Outstanding	69	72	71	69	74	79	74	73	73	72	60	123	77	82	72	69								
Cash Conversion Cycle	2	(4)	(3)	(3)	2	(3)	(2)	2	2	1	5	5	2	4	9	12								
Inventory Turns	15	17	17	16	13	14	14	13	13	13	12	6	11	9	9	9								
Dividends Paid	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$121	\$-								
Shares Repurchased	\$-	\$-	\$-	\$-	\$-	1.8	\$-	\$-	\$-	\$-	\$-	\$-	\$-	16.4	5.2	4.2								
Shares Repurchased \$	\$-	\$-	\$-	\$-	\$-	\$50	\$-	\$-	\$-	\$-	\$-	\$-	\$604	\$218	\$146	\$243								
Remaining Amount Authorized	\$466	\$466	\$466	\$466	\$466	\$416	\$416	\$416	\$416	\$416	\$416	\$416	\$1,312	\$2,594	\$2,440	\$2,205								
R4Q ROIC	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%	21.0%	20.0%								
R4Q ROA	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%	14.7%	14.2%								
Worldwide Headcount**	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	93,820	87,565								

**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



Note: Refer to "Non-GAAP Financial Measures" for information about non-GAAP financial measures included in this investor summary

\*\*Excludes temporary and contracted workers



## 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 charges to cost of goods sold that are unusual, non-recurring, or may not be indicative of ongoing operations. Because we believe some charges may not be indicative of ongoing operations, we believe that non-GAAP gross profit is a useful measure to investors as an alternative method for measuring our operating performance and comparing it against prior periods' performance.

	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	FY09	FY10	FY10	FY10	FY10	FY11	FY11	FY11	FY11	FY12	FY12	FY12	FY12	FY13	FY13	FY13
<b>Reconciliation of Cash Flows from Operations to Free Cash Flow</b>																
Cash Flows from Operations	\$349	\$434	\$557	\$558	\$363	\$390	\$505	\$313	\$447	\$352	\$378	\$1,208	\$1,128	\$936	\$772	\$727
Capital Expenditures	(111)	(176)	(199)	(177)	(185)	(200)	(250)	(170)	(153)	(134)	(120)	(139)	(324)	(382)	(246)	(188)
Free Cash Flow	\$238	\$258	\$358	\$411	\$178	\$190	\$255	\$138	\$294	\$218	\$258	\$1,069	\$804	\$554	\$526	\$539
<b>Reconciliation of Net Income to EBITDA</b>																
Net Income	\$196	\$288	\$429	\$400	\$265	\$197	\$225	\$146	\$158	\$239	\$145	\$483	\$745	\$519	\$335	\$391
Interest	2	2	2	1	1	-	1	(1)	2	1	2	4	7	14	10	11
Income Tax Expense	11	29	42	40	27	14	14	13	12	19	15	55	56	59	133	15
Depreciation and Amortization	122	121	126	128	124	150	151	151	150	158	140	180	330	312	309	309
EBITDA	\$331	\$440	\$599	\$569	\$427	\$361	\$391	\$309	\$322	\$417	\$302	\$730	\$1,147	\$900	\$787	\$726
<b>Reconciliation of Gross Margin to Non-GAAP Gross Margin and Gross Profit to Non-GAAP Gross Profit</b>																
Gross Profit	\$370	\$514	\$687	\$665	\$535	\$437	\$475	\$410	\$469	\$541	\$648	\$977	\$1,472	\$1,193	\$1,059	\$1,061
Acquisition-Related Fair Value Adjustments	-	-	-	-	-	-	-	-	-	-	-	91	-	-	-	-
Amortization of Intangible Assets Acquired from HGST	-	-	-	-	-	-	-	-	-	-	-	2	32	38	38	38
Non-GAAP Gross Profit	\$370	\$514	\$687	\$665	\$535	\$437	\$475	\$410	\$469	\$541	\$648	\$1,072	\$1,511	\$1,231	\$1,097	\$1,099
Revenue	\$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	\$3,824	\$3,764
Gross Margin	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%	27.7%	28.2%
Non-GAAP Gross Margin	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%	28.7%	29.2%



## 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.

	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	FY09	FY10	FY10	FY10	FY10	FY11	FY11	FY11	FY11	FY12	FY12	FY12	FY12	FY13	FY13	FY13
<b>Reconciliation of Net Income to Non-GAAP Net Income</b>																
Net Income	\$196	\$288	\$429	\$400	\$265	\$197	\$225	\$146	\$158	\$239	\$145	\$483	\$745	\$519	\$335	\$391
Acquisition-Related Expense	-	-	-	-	-	-	-	10	10	14	14	34	-	-	-	-
Litigation Accruals	-	-	-	-	27	-	-	-	26	7	-	-	-	-	-	-
Charges Related to Flooding, Net of Recoveries	-	-	-	-	-	-	-	-	-	-	199	15	-	-	-	-
In-Process Research and Development Charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition-Related Adjustments to Fair Value of Inventory / Cost of Revenue	-	-	-	-	-	-	-	-	-	-	-	91	-	-	-	-
Amortization of Intangible Assets Acquired from HGST	-	-	-	-	-	-	-	-	-	-	-	12	51	49	49	49
Restructuring	(23)	-	-	-	-	-	-	-	-	-	-	-	80	26	41	63
Tax Impact	-	-	-	-	-	-	-	-	-	-	-	(16)	(4)	-	88	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11
Non-GAAP Net Income	\$173	\$288	\$429	\$400	\$292	\$197	\$225	\$156	\$193	\$260	\$358	\$612	\$872	\$598	\$513	\$514
EPS	\$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	\$1.36	\$1.60
Non-GAAP EPS	\$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	\$2.09	\$2.10
Diluted Shares Outstanding	227	230	232	234	235	234	235	236	237	237	237	246	260	292	246	245





## 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

## 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