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HGST Announces Definitive Agreement To Acquire Amplidata

Acquisition Supports Strategy to Expand into Higher Value Storage Platforms and Systems

IRVINE and MILPITAS, Calif., March 3, 2015 /PRNewswire/ -- Western Digital® Corporation (NASDAQ: WDC) announced today that HGST has entered into a definitive agreement to acquire Amplidata, a privately-held developer of object storage software for public and private cloud data centers. Financial terms of the transaction were not disclosed. HGST is a wholly owned subsidiary of Western Digital Corp. The acquisition supports the company's strategy to expand into higher value data storage platforms and systems that deliver breakthrough value and scalability to address the massive growth in storage requirements in cloud data centers.

Amplidata's primary offering is Himalaya®, an advanced object storage software product that enables scale-out software-defined storage systems. By delivering industry leading scalability with the efficiency, resiliency, and flexibility required for demanding cloud data center environments, Amplidata's products and technology have earned the trust of leading OEMs and cloud service providers.

HGST had previously selected Amplidata as a joint development partner for its Active Archive platform which aims to enable breakthrough levels of storage efficiency at an ultra-low total cost of ownership. Having greater control and expertise over the fundamental building blocks of hard drives, solid state drives, and software, enables tighter end-to-end system integration and a more optimal use of software and underlying device capabilities.

"We have had an ongoing strategic relationship with Amplidata that included investment from Western Digital Capital and subsequent joint development activity," said Steve Milligan, president and chief executive officer, Western Digital. "Amplidata has deep technical expertise, an innovative spirit, and valuable intellectual property in this fast-growing market space. The acquisition will support our strategic growth initiatives and broaden the scope of opportunity for HGST in cloud data center storage infrastructure."

Active Archive: Innovating in the Third Platform

The storage ecosystem continues to transform with a greater focus on how data is stored, accessed, and protected. As a result, storage has become a key enabler of the information technology industry's transition to the "Third Platform" of computing, as the world becomes more data-centric. Dynamic provisioning of cloud-scale computing assets is the essence of the Third Platform, which is driving new customer requirements and transforming business models. HGST's Active Archive solutions are purpose-built to address the need for rapid access to the massive data stores in computing's Third Platform.

"As the evolution of architectures and business models continues to take shape in the storage industry, HGST is uniquely positioned to drive innovation and lead a transformation of the data center in the Third Platform," said Mike Cordano, president of HGST. "For applications requiring massive, peta-scale capacities, software is essential to providing scalability, resiliency and efficiency. Amplidata is a leader in software defined storage technology for these scale-out systems and together we will accelerate development of the Active Archive platform to meet the demands of our data-centric world."

Amplidata's AmpliStor® XT technology was chosen by Quantum, a leader in scale-out storage, archive and data protection, for integration into its StorNext family of data management and tiered storage solutions. "Amplidata's technology is a key building block in Lattus, our StorNext-managed private cloud archive, providing unparalleled performance for high-speed data access in a massively scalable and highly cost-effective solution," said Jon Gacek, president and chief executive officer, Quantum. "As both an Amplidata strategic partner and investor, we're excited about the acquisition. It reinforces the value of our solution, and we believe it will result in new strategic partnership opportunities."

With the broadest enterprise storage solutions portfolio in the industry, HGST is helping customers and partners build tomorrow's IT infrastructures today. From Tier 0 workloads to long-term storage and active archive, HGST's data center storage solutions help manage the enormous volume, velocity and variety of data, giving customers better efficiency and reliability for managing data through its lifecycle. HGST is developing innovative products that address the rapidly evolving needs of cloud service providers and enterprises through the tight integration of advanced software and hardware. HGST's unique innovations create more adaptive and efficient IT infrastructures that help organizations better manage data across its lifecycle to extract greater value from the information it holds.

The Amplidata acquisition is expected to close in the first calendar quarter of 2015.

Supplemental Information

A question and answer document related to the Amplidata acquisition is available on the Western Digital website at investor.wdc.com or click [here](#). The companies are not holding a conference call related to the acquisition; Western Digital will provide additional commentary on its next quarterly results conference call.

About Western Digital Corporation

Founded in 1970, Western Digital Corp. (NASDAQ: WDC), Irvine, Calif., is an industry-leading developer and manufacturer of storage solutions that enable people to create, manage, experience and preserve digital content. Its HGST and WD® subsidiaries are long-time innovators in the storage industry. Western Digital Corporation is responding to changing market needs by providing a full portfolio of compelling, high-quality storage products with effective technology deployment, high efficiency, flexibility and speed. Our products are marketed under the HGST, WD and G-Technology® brands to OEMs, distributors, resellers, cloud infrastructure providers and consumers. Financial and investor information is available on the company's Investor Relations website at investor.wdc.com.

About HGST

HGST is a wholly owned and independently operated subsidiary of Western Digital Corporation (NASDAQ: WDC). HGST sets the pace for storage innovation and is helping the world harness the power of data. Building on its reputation for producing reliable HDDs, SSDs, and developing tighter integration with software, HGST is optimizing storage efficiency and reliability for today's data-centric economy. Founded by the creators of the hard drive, HGST serves a broad range of market segments, including enterprise, cloud, OEM, mobile, consumer electronics and personal storage. HGST was established in 2003 and maintains its U.S. headquarters in San Jose, California. For more information, please visit www.hgst.com.

About Amplidata

Founded in 2008, [Amplidata](http://www.amplidata.com) offers object-based software defined storage for enterprises, service providers and OEMs. Patented BitSpread®, BitDynamics®, and GeoSpread technologies allow organizations to deploy a storage solution that delivers enterprise cloud-scale economics with the performance, security and flexibility required for on-prem data centers including unbreakable durability at greater than 15 nines and non-disruptive zettabyte scalability. Named a "Cool Storage Company" in 2012, Amplidata is privately funded, and its shareholders include Western Digital Capital, Intel Capital, Quantum, Endeavour Vision, Hummingbird Ventures, and Swisscom Ventures. The company's US headquarters is in Milpitas, California with European headquarters in Ghent, Belgium. Sales and support are worldwide. To learn more, visit <http://www.amplidata.com>.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements concerning benefits expected from the Amplidata acquisition and management's anticipated plans and strategies for the Amplidata business. 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 the possibility that the expected benefits of the transaction may not materialize as expected; failure to successfully integrate the products, technology, research and development capabilities, infrastructure and employees of HGST and Amplidata; volatility in global economic conditions; business conditions and growth in the storage ecosystem; pricing trends and fluctuations in average selling prices; the availability and cost of commodity materials and specialized product components; unexpected advances in competing technologies; the development and introduction of products based on new technologies and expansion into new data storage markets; actions by competitors; and other risks and uncertainties listed in Western Digital's filings with the Securities and Exchange Commission (the "SEC"), including Western Digital's recent Form 10-Q filed with the SEC on Feb. 10, 2015. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, and neither Western Digital nor Amplidata undertakes any obligation to update these forward-looking statements to reflect subsequent events or circumstances.

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