

**WESTERN DIGITAL CORPORATION**

**SUMMARY OF Q4 FY 2017 GAAP AND NON-GAAP GUIDANCE<sup>(1)</sup>**

**(in millions, except percentages and per share amounts; unaudited)**

	<b>Three Months Ended</b>	
	<b>June 30, 2017</b>	<b>June 30, 2017</b>
	<b>GAAP<sup>(2)</sup></b>	<b>Non-GAAP</b>
Revenue	~ \$4,800	~ \$4,800
Gross Margin	N/A	~ 40%
Operating Expenses	N/A	Similar to 3Q17
Interest and other expense, net	N/A	~ \$200
Tax Rate	N/A	10% to 13%
Diluted EPS	N/A	\$2.55 to \$2.65
Diluted Shares Outstanding	~ 302	~ 302

**FOOTNOTES**

- 1 This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements concerning the company's anticipated financial results for its fourth fiscal quarter ending June 30, 2017. 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. Other risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements include: uncertainties with respect to the company's business ventures with Toshiba; volatility in global economic conditions; business conditions and growth in the storage ecosystem; impact of competitive products and pricing; market acceptance and cost of commodity materials and specialized product components; actions by competitors; unexpected advances in competing technologies; our development and introduction of products based on new technologies and expansion into new data storage markets; risks associated with acquisitions, mergers and joint ventures; difficulties or delays in manufacturing; and other risks and uncertainties listed in the company's filings with the Securities and Exchange Commission (the "SEC"), including the company's Form 10-Q filed with the SEC on February 7, 2017, to which your attention is directed. You should not 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 new information or events.
  
- 2 Our non-GAAP gross margin, operating expenses and EPS guidance exclude the amortization of acquired intangible assets and stock-based compensation expense consisting of \$291 million in gross profit, or 6.1% of gross margin, and \$122 million in operating expenses, totaling \$413 million in net income, or \$1.37 diluted earnings per share. The timing and amount of additional charges we exclude from our non-GAAP financial measures are dependent on the timing of certain actions and cannot be reasonably predicted. In addition, our estimate for the amortization of acquired intangible assets is based on preliminary allocations of the SanDisk purchase price and may be adjusted as the company finalizes the valuation of these acquired assets. Accordingly, reconciliations of non-GAAP gross margin, non-GAAP operating expenses, non-GAAP interest and other expense, non-GAAP tax rate and non-GAAP diluted earnings per share to the most directly comparable GAAP financial measures (gross margin; operating expenses; interest and other expense, net; tax rate; and diluted earnings per share, respectively) are not available without unreasonable effort.