

## **Western Digital Enters into Agreement to Acquire Tegile Systems to Accelerate Enterprise Data Center Systems Strategy, Broaden Product Portfolio and Expand Customer Footprint**

***Combination Brings Compelling Performance and Economics to the Enterprise Data Center; Provides Full Spectrum of Solutions for Big Data and Fast Data***

SAN JOSE, Calif. & NEWARK, Calif.--(BUSINESS WIRE)-- Western Digital Corp. (NASDAQ: WDC) and Tegile Systems ("Tegile") announced today that they have entered into a definitive agreement under which Tegile, a leading provider of flash and persistent-memory storage solutions for enterprise data center applications, will be acquired by Western Digital. Financial terms of the transaction were not disclosed. The acquisition is expected to close the week of Sept. 4, 2017, upon satisfaction of certain closing conditions as set forth in the definitive agreement between the parties.

Tegile has been at the forefront of the flash storage revolution since 2012. With its award winning IntelliFlash™ architecture, Tegile has pioneered a comprehensive storage platform that delivers storage at the speed of flash memory. Tegile will bring to Western Digital over 1,700 new customers, an innovative product portfolio, and a deeply experienced team with a proven ability to deliver value to customers.

In today's enterprise and cloud-scale data centers, there is growing demand to deploy scalable storage architectures that deliver reliable persistence with high performance and optimal economics for an expanding range of big data and fast data applications. With Tegile's IntelliFlash™ products focused on fast data, and Western Digital's ActiveScale products focused on big data, Western Digital's Data Center Systems (DCS) business unit will be well positioned to fully address the diverse set of needs that organizations have in order to harness the value of their data throughout its lifecycle.

"The Tegile acquisition will fit perfectly in Western Digital's long-term strategy to deliver high value solutions that address customers' rapidly evolving storage needs," said Mike Cordano, president and chief operating officer of Western Digital. "The addition of Tegile's technology and talented team will advance our goal of solving customers' most significant challenges in capturing, preserving, transforming and accessing data. We welcome the Tegile team to Western Digital and look forward to working together to enhance our leadership position in enterprise and cloud-based storage."

"We are excited to add this team of deeply experienced storage professionals to Western Digital," said Phil Bullinger, Western Digital's senior vice president and general manager of the DCS business unit. "Not only will we gain an exceptional group of team members, but also expand our product offerings in the fast-growing solid-state and hybrid array segments. By combining Tegile's innovative storage system software with Western Digital's global scale and combination of components and systems, we expect DCS to capture a sizable share of flash array demand. Western Digital is focused on the systems business and this is a significant step forward in advancing our long-term strategy."

Rohit Kshetrapal, chief executive officer of Tegile said, "Western Digital has been a key partner and long-term investor in Tegile and has already enhanced various aspects of Tegile's business, including engineering integration, HDD/SSD supply chain efficiencies, go-to-market efforts and customer support. Both Tegile and Western Digital have introduced industry-changing storage products. The Tegile team looks forward to continuing this tradition of innovation as part of the Western Digital family."

The acquisition is expected to accelerate the DCS business unit's revenue growth as Tegile's high-value, high-growth flash storage arrays complement the DCS products and can be marketed to Western Digital's global customer base.

### **About Western Digital**

Western Digital is an industry-leading provider of storage technologies and solutions that enable people to create, leverage, experience and preserve data. The company addresses ever-changing market needs by providing a full portfolio of compelling, high-quality storage solutions with customer-focused innovation, high efficiency, flexibility and speed. Our products are marketed under the HGST, SanDisk and WD 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](http://investor.wdc.com).

### **About Tegile Systems**

Tegile Systems is pioneering a new generation of persistent-memory storage solutions that deliver exceptional performance and economics for a wide range of enterprise applications. With Tegile's line of unified all-flash and hybrid storage arrays, enterprise customers are running their mission-critical applications at the speed of memory while significantly consolidating their transaction processing, analytics, databases, virtualization, and file services onto a single platform.

### **Forward-Looking Statements**

This news release contains certain forward-looking statements, including statements regarding the company's acquisition of Tegile, anticipated benefits of the transaction, integration of the company and Tegile, business strategies, products and technologies, market positioning, growth opportunities, and market demand and trends. There are a number of risks and uncertainties that may cause these forward-looking statements to be inaccurate including, among others: the anticipated benefits of the transaction may not materialize as expected; failure to successfully integrate the company and Tegile; volatility in global economic conditions; business conditions and growth in the storage ecosystem; the 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-K filed with the SEC on Aug. 29, 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 subsequent events or circumstances.

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