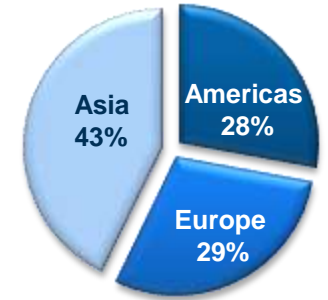


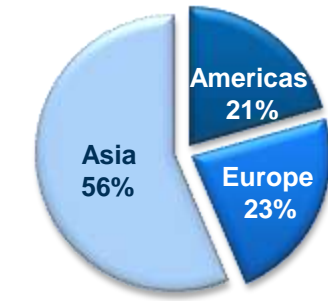
Amounts in millions;
except per share amounts,
ASP, percentages.

	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 FY12 ⁴	
	FY08	FY08	FY08	FY09	FY09	FY09	FY09	FY10	FY10	FY10	FY10	FY11	FY11	FY11	FY11	FY12	Low	High
TAM	143.7	131.6	131.9	145.8	123.8	111.4	135.4	152.4	160.4	163.3	156.2	164.0	167.5	159.5	165.8	176.1		
Share	23.9%	26.3%	26.7%	27.0%	28.6%	28.3%	29.5%	28.9%	30.9%	31.3%	31.8%	30.9%	31.2%	31.2%	32.5%	32.8%		
Units (HDD)	34.2	34.5	35.2	39.4	35.5	31.6	40.0	44.1	49.5	51.1	49.7	50.7	52.2	49.8	53.8	57.8	22.0	26.0
ASP	\$61	\$59	\$56	\$53	\$51	\$50	\$48	\$49	\$52	\$51	\$47	\$46	\$47	\$45	\$44	\$46		
Revenue	\$2,204	\$2,111	\$1,993	\$2,109	\$1,823	\$1,592	\$1,928	\$2,208	\$2,619	\$2,641	\$2,382	\$2,396	\$2,475	\$2,252	\$2,403	\$2,694	\$1,050	\$1,250
Gross Margin	\$513	\$477	\$425	\$424	\$290	\$253	\$370	\$514	\$687	\$665	\$535	\$437	\$475	\$410	\$469	\$541		
Gross Margin %	23.3%	22.6%	21.3%	20.1%	15.9%	15.9%	19.2%	23.3%	26.2%	25.2%	22.5%	18.2%	19.2%	18.2%	19.5%	20.1%		
R&D	\$122	\$123	\$128	\$133	\$119	\$125	\$132	\$142	\$154	\$160	\$154	\$167	\$169	\$179	\$188	\$193		
SG&A	\$59	\$56	\$56	\$57	\$42	\$49	\$52	\$53	\$60	\$64	\$61	\$59	\$66	\$63	\$77	\$71		
Other	\$ -	\$ -	\$ -	\$ -	<u>\$113</u>	<u>\$18</u>	<u>(\$23)</u>	\$ -	\$ -	\$ -	<u>\$27</u>	\$ -	\$ -	<u>\$10</u>	<u>\$32</u>	<u>\$18</u>		
Total Operating Expenses	\$181	\$179	\$184	\$190	\$274	\$192	\$161	\$195	\$214	\$224	\$242	\$226	\$235	\$252	\$297	\$282	\$230	\$230
Operating Income	\$332	\$298	\$241	\$234	\$16	\$61	\$209	\$319	\$473	\$441	\$293	\$211	\$240	\$158	\$172	\$259		
Net Income	\$305	\$280	\$213	\$211	\$14	\$50	\$196	\$288	\$429	\$400	\$265	\$197	\$225	\$146	\$158	\$239		
EPS	\$1.35	\$1.23	\$0.94	\$0.93	\$0.06	\$0.22	\$0.86	\$1.25	\$1.85	\$1.71	\$1.13	\$0.84	\$0.96	\$0.62	\$0.67	\$1.01	(\$1.10)	(\$1.50)
Diluted Shares Outstanding	226	227	227	226	224	226	227	230	232	234	235	234	235	236	237	237	234	234
Top 10 Customers Revenue	47%	48%	53%	51%	49%	47%	52%	56%	55%	51%	52%	50%	48%	49%	53%	49%		
Revenue by Channel																		
OEM	48%	50%	57%	56%	57%	48%	54%	52%	48%	49%	54%	50%	45%	47%	55%	53%		
Distributors	34%	34%	24%	26%	21%	30%	29%	31%	30%	33%	29%	32%	33%	33%	29%	29%		
Retail	18%	16%	19%	18%	22%	22%	17%	17%	22%	18%	17%	18%	22%	20%	16%	18%		
Revenue by Geography																		
Americas	32%	28%	29%	23%	23%	26%	24%	22%	25%	24%	25%	23%	22%	22%	20%	19%		
Europe	32%	31%	25%	29%	29%	28%	22%	22%	25%	24%	21%	23%	25%	24%	20%	22%		
Asia	36%	41%	46%	48%	48%	46%	54%	56%	50%	52%	54%	54%	53%	54%	60%	59%		
Compute Units																		
Notebook	7,134	8,819	9,878	12,411	11,187	7,932	14,670	16,528	17,735	17,072	16,802	16,582	17,385	16,227	16,867	19,622		
Desktop	18,331	17,834	15,863	17,484	14,225	14,659	16,349	18,282	19,290	21,461	20,282	20,918	20,411	20,118	22,348	21,588		
Non-Compute Units																		
Consumer Electronics	4,077	3,109	4,097	3,913	4,128	3,487	3,666	3,064	4,083	4,643	5,306	5,239	4,709	4,765	6,459	7,188		
Branded	3,390	3,456	4,081	4,396	4,918	4,512	3,994	4,539	6,219	5,565	5,005	5,678	7,427	6,404	5,672	7,060		
Enterprise Units	<u>1,280</u>	<u>1,324</u>	<u>1,266</u>	<u>1,203</u>	<u>1,005</u>	<u>0,973</u>	<u>1,308</u>	<u>1,669</u>	<u>2,170</u>	<u>2,356</u>	<u>2,346</u>	<u>2,319</u>	<u>2,284</u>	<u>2,318</u>	<u>2,463</u>	<u>2,369</u>		
Total HDD Units	34,212	34,542	35,185	39,407	35,463	31,563	39,987	44,082	49,497	51,097	49,741	50,736	52,216	49,832	53,809	57,827		

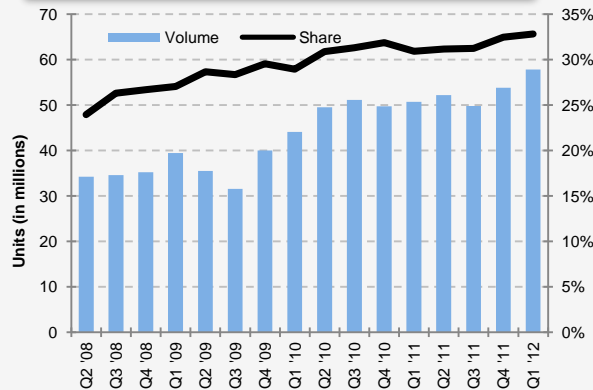
Revenue by Geography Rolling Four Quarters Ending Q1 FY09



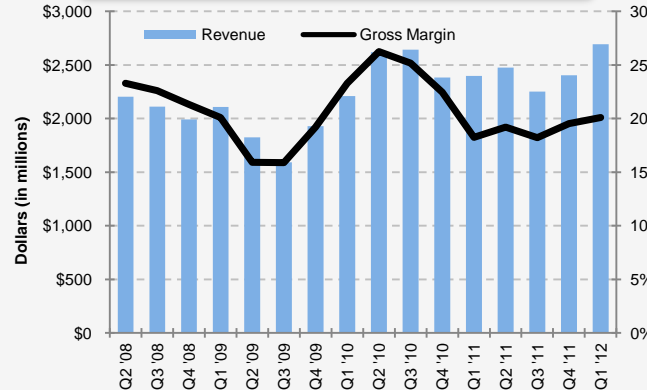
Revenue by Geography Rolling Four Quarters Ending Q1 FY12



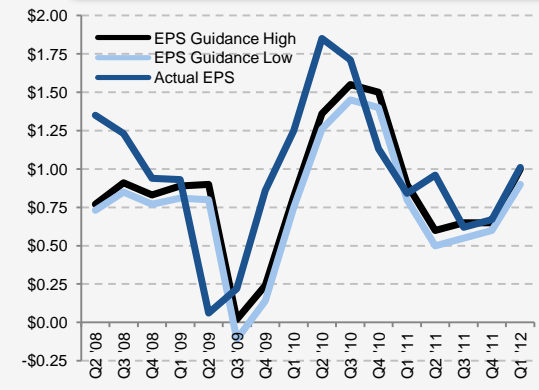
Volume and Market Share



Revenue and Gross Margin



EPS Analysis



Note: Q2'09 includes restructuring charge of \$113M.



Balance sheet, cash flows, earnings and share repurchase amounts in millions	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	FY08	FY08	FY08	FY09	FY09	FY09	FY09	FY10	FY10	FY10	FY10	FY10	FY11	FY11	FY11	FY11
Cash and Cash Equivalents	\$917	\$917	\$1,104	\$1,213	\$1,376	\$1,579	\$1,794	\$2,056	\$2,435	\$2,826	\$2,734	\$2,858	\$3,110	\$3,230	\$3,490	\$3,675
Debt	<u>\$775</u>	<u>\$514</u>	<u>\$509</u>	<u>\$507</u>	<u>\$504</u>	<u>\$502</u>	<u>\$482</u>	<u>\$463</u>	<u>\$444</u>	<u>\$425</u>	<u>\$400</u>	<u>\$375</u>	<u>\$350</u>	<u>\$325</u>	<u>\$294</u>	<u>\$263</u>
Net Cash and Cash Equivalents	\$142	\$403	\$595	\$706	\$872	\$1,077	\$1,312	\$1,593	\$1,991	\$2,401	\$2,334	\$2,483	\$2,760	\$2,905	\$3,196	\$3,412
Cash Flow From Operations	\$519	\$431	\$229	\$301	\$300	\$355	\$349	\$434	\$557	\$588	\$363	\$390	\$505	\$313	\$447	\$352
Free Cash Flow	\$350	\$294	\$83	\$139	\$160	\$249	\$238	\$258	\$358	\$411	\$178	\$190	\$255	\$138	\$294	\$218
Capital Expenditures	\$169	\$137	\$146	\$162	\$140	\$106	\$111	\$176	\$199	\$177	\$185	\$200	\$250	\$175	\$153	\$134
Depreciation and Amortization	\$111	\$111	\$113	\$117	\$122	\$119	\$122	\$121	\$126	\$128	\$134	\$150	\$151	\$151	\$150	\$158
EBITDA	\$443	\$409	\$354	\$351	\$138	\$180	\$331	\$440	\$599	\$569	\$427	\$361	\$391	\$309	\$322	\$417
Accounts Receivable, Net	\$1,086	\$1,014	\$1,010	\$1,082	\$926	\$824	\$926	\$1,131	\$1,365	\$1,257	\$1,256	\$1,325	\$1,250	\$1,171	\$1,206	\$1,356
Inventory	\$171	\$153	\$144	\$129	\$124	\$104	\$97	\$96	\$102	\$115	\$159	\$155	\$141	\$151	\$172	\$170
Raw Materials	\$131	\$131	\$145	\$168	\$159	\$152	\$154	\$173	\$212	\$254	\$255	\$266	\$274	\$260	\$263	\$275
Work in Process	<u>\$157</u>	<u>\$171</u>	<u>\$167</u>	<u>\$180</u>	<u>\$163</u>	<u>\$129</u>	<u>\$125</u>	<u>\$126</u>	<u>\$139</u>	<u>\$138</u>	<u>\$146</u>	<u>\$140</u>	<u>\$153</u>	<u>\$163</u>	<u>\$142</u>	<u>\$200</u>
Finished Goods	\$459	\$455	\$456	\$477	\$446	\$385	\$376	\$395	\$453	\$560	\$560	\$561	\$568	\$574	\$577	\$645
Inventory, Net	\$1,560	\$1,529	\$1,668	\$1,674	\$1,620	\$1,570	\$1,584	\$1,625	\$1,696	\$1,756	\$2,159	\$2,245	\$2,277	\$2,249	\$2,224	\$2,209
Property, Plant and Equipment, Net	\$1,216	\$1,144	\$1,181	\$1,215	\$1,075	\$1,001	\$1,101	\$1,342	\$1,507	\$1,508	\$1,507	\$1,703	\$1,628	\$1,486	\$1,545	\$1,708
Accounts Payable	45	44	46	47	46	47	47	47	47	43	48	50	46	47	46	46
Days Sales Outstanding	25	25	27	26	27	26	24	21	21	23	28	26	26	28	27	27
Days Inventory Outstanding	66	64	69	66	64	68	69	72	71	69	74	79	74	73	73	72
Days Payables Outstanding	4	5	4	7	9	5	2	(4)	(3)	(3)	2	(3)	(2)	2	-	1
Cash Conversion Cycle	15	14	14	14	14	14	15	17	17	16	13	14	14	13	13	13
Inventory Turns	-	1.5	-	1.2	-	-	-	-	-	-	-	1.8	-	-	-	-
Shares Repurchased	\$ -	\$44	\$ -	\$36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$50	\$ -	\$ -	\$ -	\$ -
Shares Repurchased \$	\$46	\$502	\$502	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$416	\$416	\$416	\$416	\$416
Remaining Amount Authorized	31.4%	33.8%	34.0%	33.5%	22.9%	14.9%	13.9%	15.3%	24.9%	31.2%	30.2%	26.4%	21.1%	15.6%	13.2%	13.6%
R4Q ROIC	19.0%	20.7%	21.2%	21.1%	14.7%	9.8%	9.2%	10.4%	17.0%	21.2%	20.7%	18.1%	14.6%	10.9%	9.2%	9.5%
R4Q ROA	42,534	41,876	50,072	51,409	50,838	43,898	45,991	52,208	55,128	61,803	62,500	62,817	62,991	61,349	65,431	67,799
Worldwide Headcount																

Business Model

Gross Margin
18%-23%

Operating Expense
9%-10%

Operating Income
8%-14%

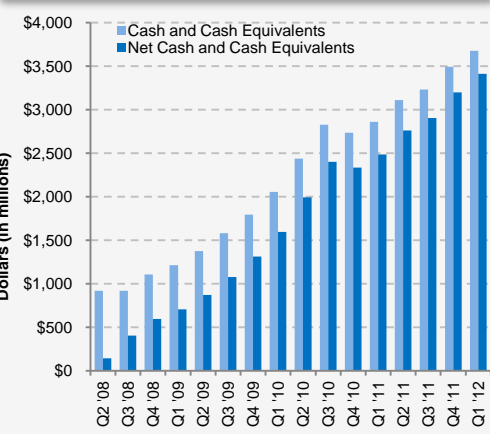
Tax
6%-9% of Income Before Tax

Capital Expenditures
7%-8%

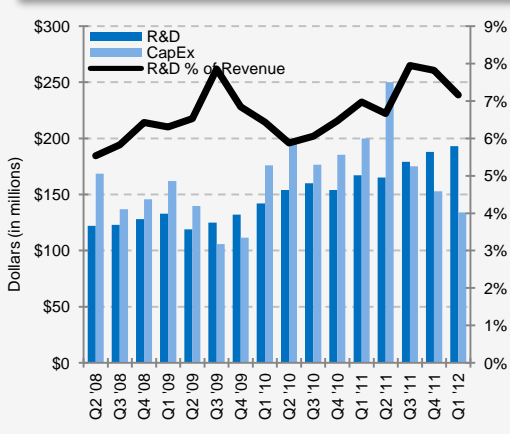
Inventory Turns
12-16 Turns

Conversion Cycle
4-8 Days

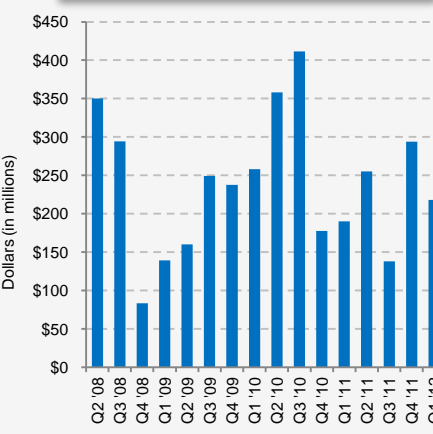
Gross vs. Net Cash & Cash Equivalents



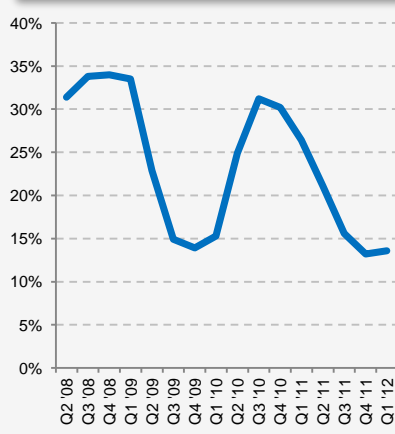
R&D and Capital Expenditures



Free Cash Flow



R4Q Return on Invested Capital



Footnotes

- 1.FY08 and 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
- 5.Q2 FY12 guidance is presented on a non-GAAP basis and excludes expenses related to the planned acquisition of Hitachi Global Storage Technologies and unusual charges and expenses related to the flooding in Thailand. Because these acquisition-related and unusual expense items are not known at this time, we are unable to provide guidance for, or a reconciliation to, the most directly comparable GAAP financial measures. The impact of these excluded items may cause the estimated non-GAAP financial measures to differ materially from the comparable GAAP financial measures.

Formulas

Share = Units / TAM

ASP = Revenue / Units

Free Cash Flow = Cash Flow from Operations – Capital Expenditures

EBITDA: Net Income + Interest Expense + 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

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.

	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	FY08	FY08	FY08	FY09	FY09	FY09	FY09	FY10	FY10	FY10	FY10	FY11	FY11	FY11	FY11	FY12
Reconciliation of Cash Flows from Operations to Free Cash Flow																
Cash Flows from Operations	\$519	\$431	\$229	\$301	\$300	\$355	\$349	\$434	\$557	\$588	\$363	\$390	\$505	\$313	\$447	\$352
Capital Expenditures	(169)	(137)	(146)	(162)	(140)	(106)	(111)	(176)	(199)	(177)	(185)	(200)	(250)	(175)	(153)	(134)
Free Cash Flow	\$350	\$294	\$83	\$139	\$160	\$249	\$238	\$258	\$358	\$411	\$178	\$190	\$255	\$138	\$294	\$218
Reconciliation of Net Income to EBITDA																
Net Income	\$305	\$280	\$213	\$211	\$14	\$50	\$196	\$288	\$429	\$400	\$265	\$197	\$225	\$146	\$158	\$239
Interest Expense	16	8	4	4	9	3	2	2	2	1	1	-	1	(1)	2	1
Income Tax Expense	11	10	24	19	(7)	8	11	29	42	40	27	14	14	13	12	19
Depreciation and Amortization	111	111	113	117	122	119	122	121	126	128	134	150	151	151	150	158
EBITDA	\$443	\$409	\$354	\$351	\$138	\$180	\$331	\$440	\$599	\$569	\$427	\$361	\$391	\$309	\$322	\$417