

Q1: What is being announced today?

A1: HGST, a wholly owned subsidiary of Western Digital Corporation, has completed the acquisition of Amplidata, a privately-held developer of object storage software for public and private cloud data centers. Amplidata will now be a part of HGST's Elastic Storage Platforms Group, led by Dave Tang, general manager and senior vice president.

Q2: What is the strategic rationale of the acquisition?

A2: The acquisition is a continuation of HGST's strategy to expand into higher value storage platforms and systems that deliver breakthrough value and scalability to address the massive growth in storage requirements in cloud data centers. HGST had previously selected Amplidata as a joint development partner for its new Active Archive platform.

WDC and Amplidata have had an ongoing strategic relationship that included investment from Western Digital Capital.

Q3: Who is Amplidata?

A3: Amplidata is a privately-held developer of object storage software for public and private cloud data centers. The company's headquarters are located in Ghent, Belgium, and they have small sales and support, and business development teams located across the U.S. Amplidata was founded in 2008 and has approximately 50 employees. It has a proven leadership team and a culture of innovation that strongly aligns with HGST.

Q4: What is Amplidata's product and technology focus?

A4: Amplidata is a developer of object storage software for public and private cloud data centers. The company's current Himalaya software is a versatile platform for massively-scalable, secure and flexible storage services and solutions. It allows customers to store and manage exabytes of data and trillions of stored objects, representing an exponential leap in scale that anticipates rapid growth in customers' appetite for highly durable and available storage.

Q5: Will there be any changes to the Amplidata product line?

A5: We do not anticipate significant near-term changes to the Amplidata product line. We will leverage the Amplidata technology and the Amplidata team to continue building out a complete elastic storage platform strategy for HGST, while we continue to integrate Himalaya into our new Active Archive platform.

Q6: Is it your strategy to become a software company?

A6: Software is playing an increasingly important role in enterprise storage architectures. While we do not intend for HGST to become a pure-play software company, we will continue to develop robust software capabilities to augment our successful product portfolio and address the evolving needs of the cloud data center market through software-defined storage systems.

Q7: Will Amplidata continue to sell its software on a standalone basis?

A7: Amplidata will continue to perform on its existing contracts post-closing.

Q8: How much intellectual property is being acquired?

A8: The acquisition was a stock purchase, and thus it included Amplidata's existing product portfolio (e.g. AmpliStor, Himalaya, BitSpread and BitDynamics brands), patents, and all in-process R&D.

Q9: Was the acquisition subject to regulatory approvals?

A9: The Amplidata acquisition was not subject to regulatory review.

Q10: What were the terms of the deal? How much have you invested to date in Amplidata?

A10: We have not disclosed specific funding details. In September 2014, Western Digital Capital made a \$10 million strategic investment in Amplidata.

Q11: Does HGST have what it needs to execute the elastic storage strategy or are there other building blocks/acquisitions likely?

A11: We are focused on executing our growth strategy and capitalizing on the many opportunities within the storage industry. M&A will continue to be important as we look to expand our participation in cloud storage, solid state storage, and other high-growth areas. We will continue to look for opportunities to accelerate technology innovation and product development efforts in order to better meet our customers' needs and demands.

CUSTOMERS, PARTNERS AND SUPPLIERS

Q12: Does the acquisition present any conflicts with our current HDD or SSD customers? Isn't the value you are building in direct competition with your customers?

A12: No. The acquisition of Amplidata is a continuation of HGST's strategy to expand into higher value storage platforms and systems. We not only deliver devices. We deliver solutions that

blend hardware and software, as well as add our deep insight and knowledge, and technology affinity to add more value to customers.

By leveraging Amplidata's software with respect to our Active Archive platform, we enable tighter end-to-end system integration and a more optimal use of software and underlying device capabilities. We are vertically innovating across the entire stack to create solutions with significantly higher value than standalone devices.

By focusing on scale-out storage systems for "Third Platform" cloud data centers, we complement the capabilities of our existing OEM system customers, who focus on the traditional enterprise data center space. Several of our OEM customers are adopting, or have shown strong interest in, the technologies, platforms and systems that we have developed for this initiative to augment their capabilities and portfolio.

For our cloud service customers, our strategy to provide cloud storage platforms and systems help enable them to transform their business. We continue to innovate with solutions that are easy to deploy and scale, so that these customers can sharpen their focus on the development of new services and applications to attract and retain their customers.

ACTIVE ARCHIVE BUSINESS

Q13: Can you talk about your target customers and ballpark the TAM for your Active Archive business?

A13: The Active Archive systems are targeted at public and private cloud data centers that need highly scalable and affordable solutions for storing and accessing increasing amounts of data over longer periods of time. According to IDC, the TAM for scale-out object-based software and storage appliances will be \$15.4B this year and will grow to \$21.7B by 2017.

In addition to the TAM characterized by IDC, we believe that there is a sizable greenfield market for storing valuable data that exceeds the projected amount of storage capacity being shipped. By providing a more affordable solution to storing, protecting and accessing this excess of valuable data, we believe that our Active Archive systems can address this vast area of "non-consumption." Market research firms indicate that the volume of this excess valuable data will exceed the market capacity of traditional storage systems by 2017.

Q14: What is the shipment/revenue status of your Active Archive platform?

A14: A concept announcement was previously made at our press and market analyst event in September 2014. Revenue shipments for the platform began in November 2014. Initial revenue shipments for the Active Archive platform are expected in the first half of 2015.

TECHNOLOGY

Q15: What is object storage and how does it compare to legacy block and file storage?

A15: Object storage technology is essential to creating systems for cloud data centers, which require storage capacities in the petabyte and exabyte range. Block storage will continue to be a preferred model for high performance applications, such as transactional databases, where scalability needs are extremely low and performance is paramount. File storage, including distributed file systems such as Lustre, are suitable for on-premise networked applications. However, they fail to provide the scalability and resiliency that is required for true cloud data center storage environments.

Q16: How does Amplidata's software provide resiliency in scale-out environments?

A16: Amplidata's software protects data through advanced erasure coding techniques. Erasure coding is quickly replacing RAID as the method for data protection in scale-out architectures. In addition to ensuring data durability in the event of multiple device, subsystem, system or even site failures, it eliminates the lengthy drive rebuild times associated with parity RAID schemes, such as RAID 5 and 6.

ORGANIZATION

Q17: How many employees work at Amplidata and are they all becoming HGST employees?

A17: Amplidata has approximately 50 employees, primarily located in Belgium, who will remain in their current legal entity until integration plans are finalized.

Q18: Will HGST sales channels (OEM, cloud, enterprise and partners) be able to sell Amplidata software? Who will do support?

A18: Together with Amplidata, we will be assessing markets, segments, product fit and focus to help inform and set our go to market strategy. This will be completed with the HGST sales and support, Elastic Storage Platforms Group and the Amplidata team. We will plan to provide direction within the first 30 days. Amplidata will also continue to perform on its existing contracts post-closing.

FINANCIAL

Q19: What are the terms, how did you pay for it?

A19: We did not disclose terms of the acquisition. The purchase price was paid with cash on hand.

Q20: Will the acquisition be dilutive and when will it be accretive?

A20: The acquisition will be immaterially dilutive.

Q21: How much OPEX will the Amplidata acquisition add per quarter?

A21: The incremental OPEX will be an immaterial amount.

Q22: Can you disclose Amplidata's financials (e.g. revenue run rate, gross margins)?

A22: We are not disclosing Amplidata's financials.

Q23: Have you acquired any revenue-generating customers?

A23: While acquisition of revenue was not a primary driver for the transaction, Amplidata has its own revenue-generating customers, which it will continue to service under its existing contracts.

Q24: Is this acquisition changing the WDC business model?

A24: No. It does not change the WDC target business model.

Q25: What is the strategic rationale of the acquisition?

A25: The acquisition is a continuation of HGST's strategy to expand into higher value storage platforms and systems that deliver breakthrough value and scalability to address the massive growth in storage requirements in cloud data centers. Amplidata will augment HGST's existing software development capabilities and portfolio, and allow the company to broaden its scope of innovation to capture new and growing opportunities in data center storage infrastructure.

WDC and Amplidata have had an ongoing strategic relationship that included investment from Western Digital Capital.

Q26: Why did you decide to buy versus license the Amplidata technology?

A26: Our view is that object-based storage architectures are dependent upon, and require, mid- to long-term continuity of technology and access to technology. A license agreement does not necessarily ensure such continuity. The acquisition of Amplidata provides us with a critical control point that will serve as a foundation for the Active Archive platform, as well as future offerings.

Q27: Can you provide some parameters around how you were thinking about the price you paid relative to a burn rate at Amplidata?

A27: This was a technology acquisition and valuation was driven by multiple factors, both internal and external. Amplidata's burn rate was a minor part of our analysis.

Q28: Was this a competitive bidding situation for Amplidata?

A28: Yes, it was a competitive process.

Forward Looking Statements

This document 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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