

WD in the Connected Home

Consumer Electronics Show
January 6, 2011

John Coyne

President and CEO

Jim Welsh

Executive VP, GM Branded Products & CE



Safe Harbor

This presentation contains forward-looking statements, including statements related to: the growth and diversity of digital content and content creation devices; the size and growth potential of the overall HDD market; digital storage needed and available; WD's product and content offerings; and the outlook for the hard drive industry. These forward-looking statements are based on WD's current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements, including: the impact of continued uncertainty and volatility in global economic conditions; supply and demand conditions in the hard drive industry; actions by competitors; unexpected advances in competing technologies; uncertainties related to the development and introduction of products based on new technologies and expansion into new storage markets; business conditions and growth in the various storage markets; pricing trends and fluctuations in average selling prices; changes in the availability and cost of commodity materials and specialized product components that WD does not make internally; and other risks and uncertainties listed in WD's recent filings with the Securities and Exchange Commission, to which your attention is directed. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, and WD undertakes no obligation to update these forward-looking statements to reflect subsequent events or circumstances.



WD Introduction



**Worldwide unit
volume leader in
hard drives**



**10 years of profitable
growth; Industry's
strongest balance sheet**

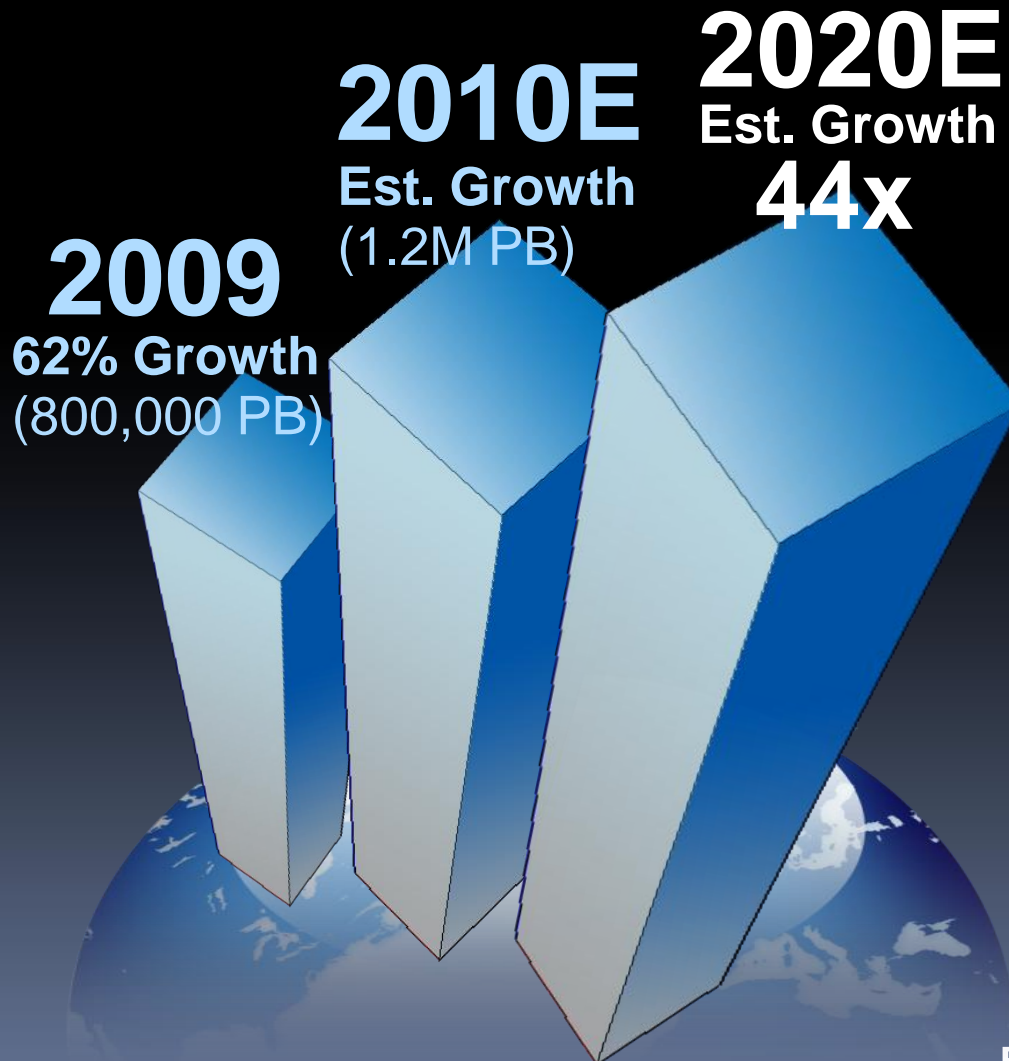


**Early leadership with
digital content in the
connected home via
Branded Products**

PUT YOUR LIFE ON IT®



The Digital Universe is Exploding

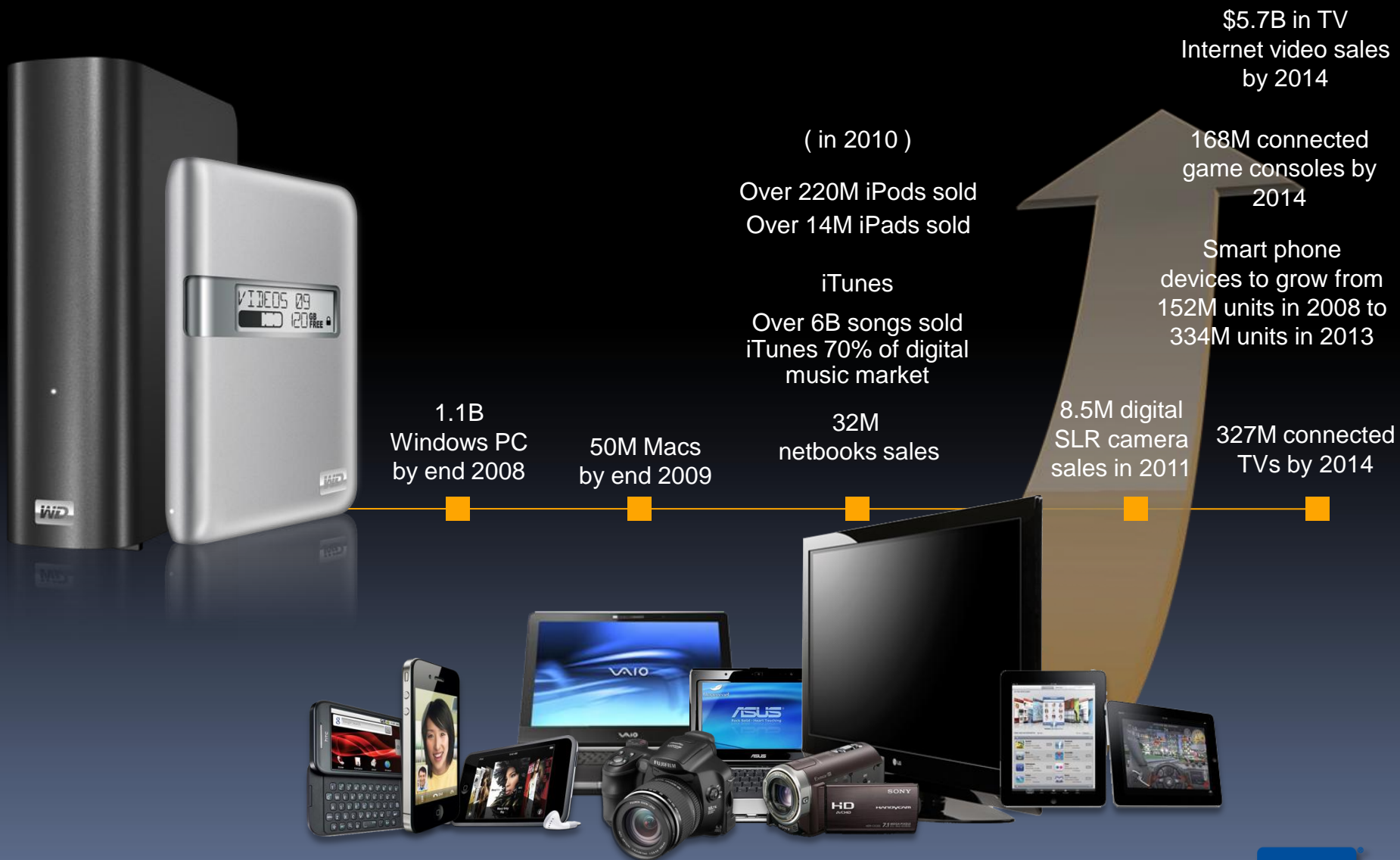


Source: IDC "Digital Universe Decade" report May 2010

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Content Creation Continues to Accelerate

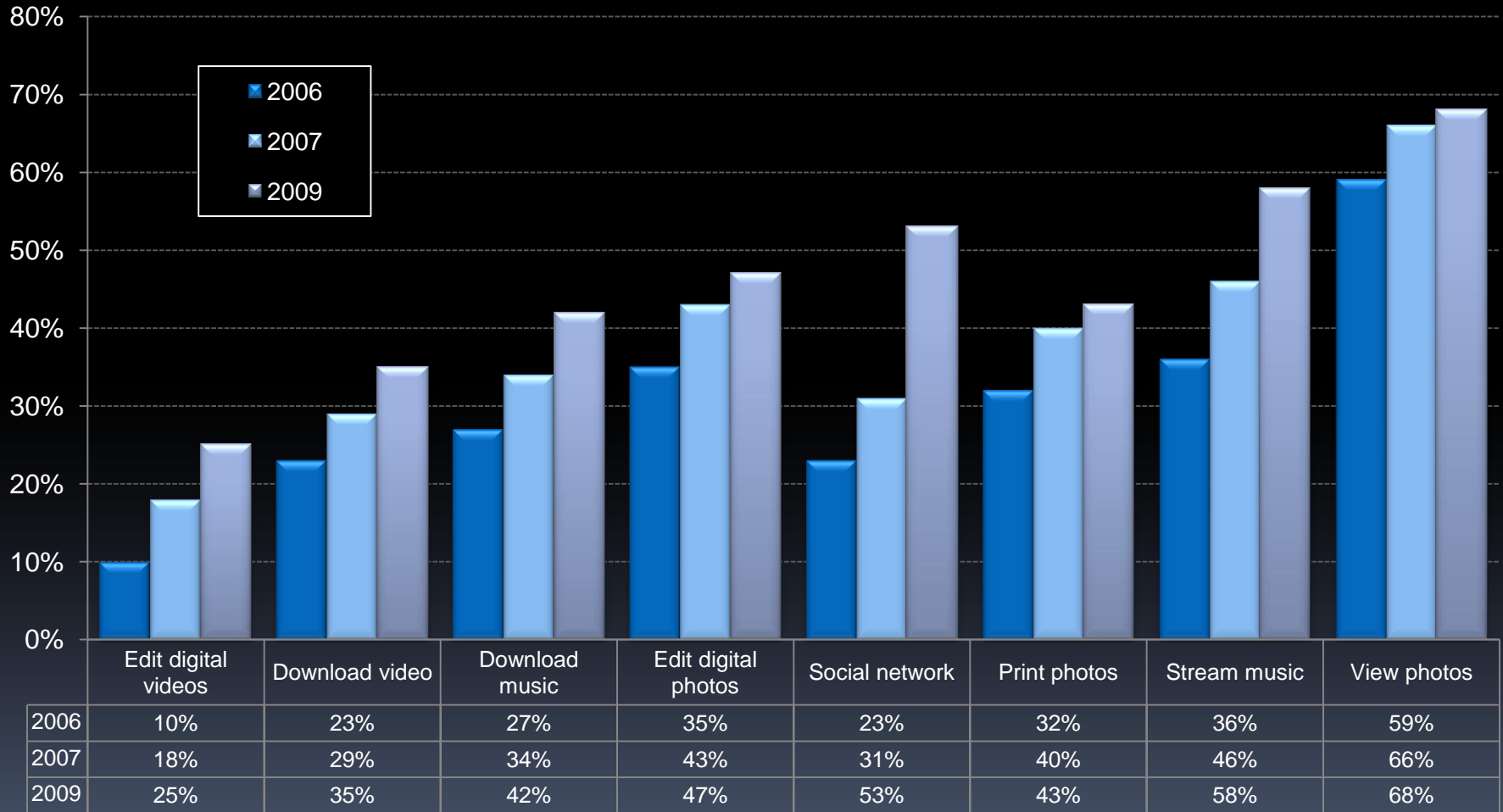


Sources: Apple, Gartner, IDC, Microsoft, Parks Associates, Tech Crunch, TDG, WD Estimate

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Digital Media activities becoming mainstream...

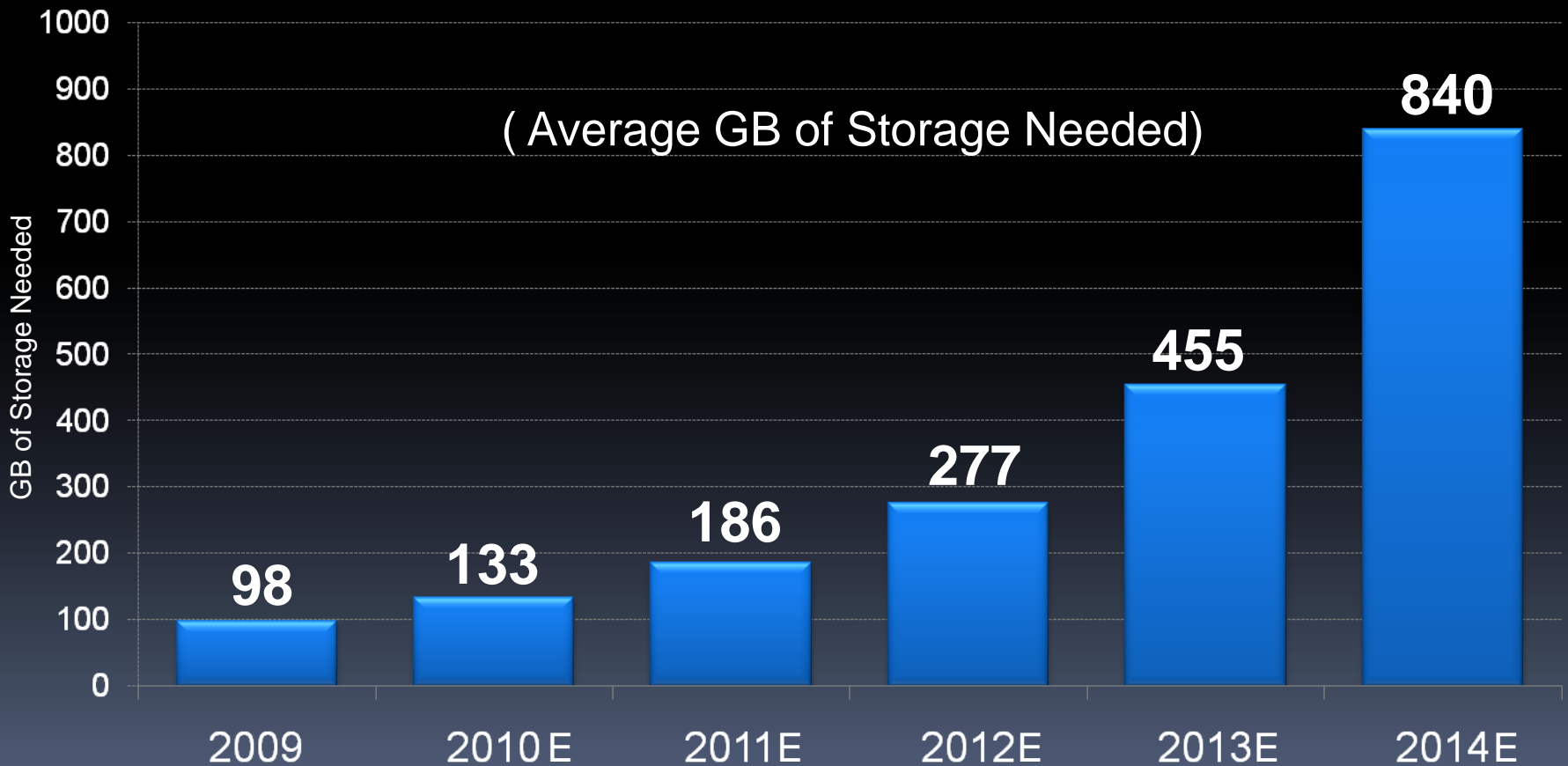


Sources: Parks Associates Research, October 2009 Digital Media Habits II (n=2,000; +2.2%), CDP Q2 2009 (n=5,353, 1.34%)

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...Driving accumulation of personal media libraries and 9X demand for Consumer Storage



Source: Parks Associates *Entertainment Networks and High-end Media Servers*, 2010; Digital Media Habits II, 2009

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Participating in the Three Cloud Model

IT Content
“Corporate Cloud”



IP Content
“Public Cloud”



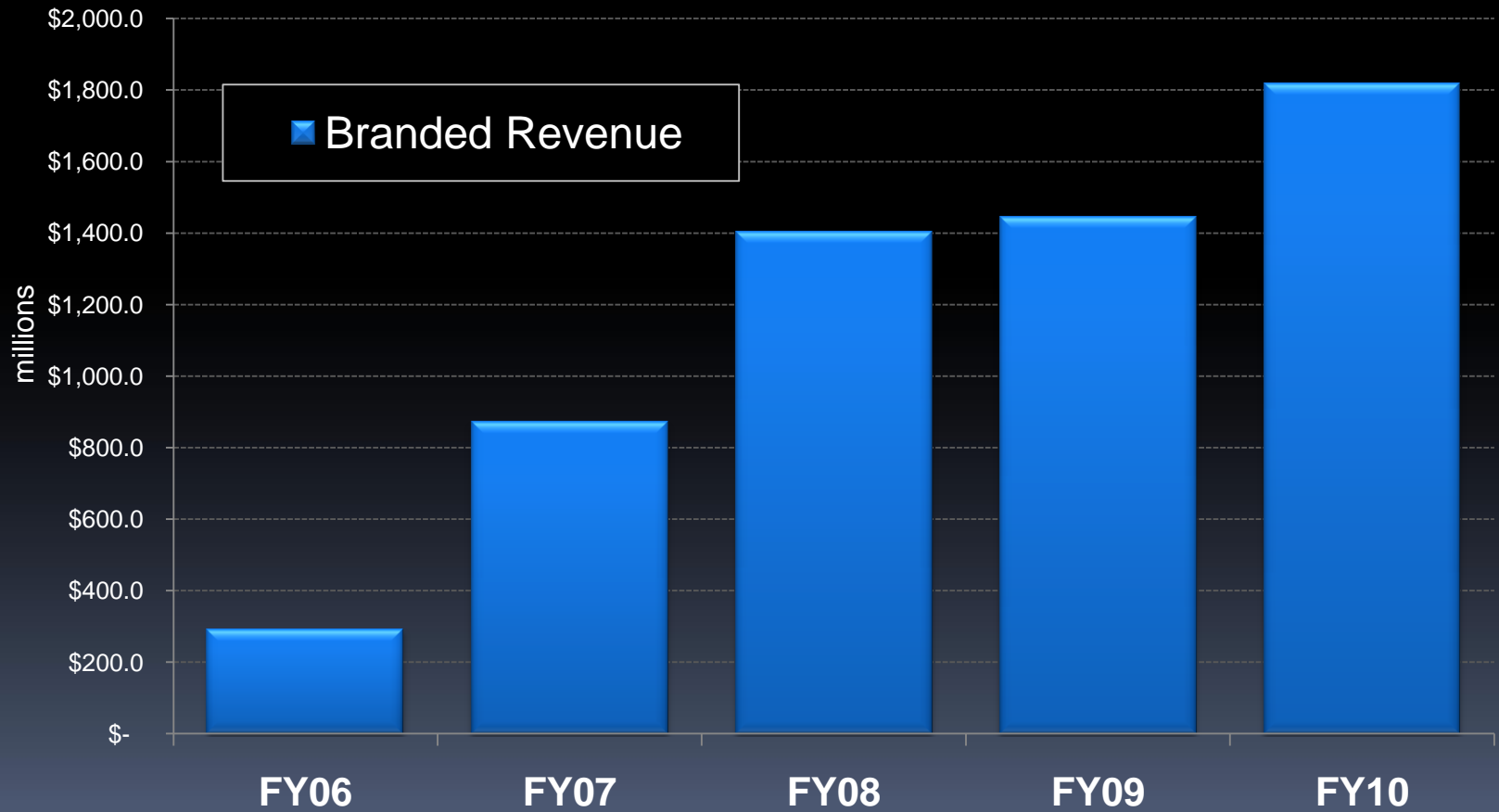
My Content
“Personal Private Cloud”



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WD's Established Leadership in Branded Products



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WD's Connected Home Strategy

- **Embracing consumers' agenda**
- **Store, display and move personal and premium content in a simple and intuitive way**
- **Providing value with open solutions at accessible prices**
- **Allowing multiple formats anywhere, anytime and anyplace**
- **Leveraging significant leadership in storage into early mover advantage in the Connected Digital Home**

WD's Connected Home Strategy and Products

Jim Welsh

Executive VP, GM Branded Products & CE

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Keys to WD's Branded Products Leadership



Listen to
consumers



Attractive
designs



Established strong
relationships



Invest

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Natural Extension into the Connected Home



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WD and its partners have sold...
85,000,000
Branded Products since 2004



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Looking Ahead to 2014

2.2B PCs

840 GB content per household

450M smart phones

100M tablets

300M connected devices

There are more ways to... Create:



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There are more ways to... Experience:



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There are more ways to... Download:



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Also there are more ways to...
Stream:



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There are more ways to...

Get content to homes:



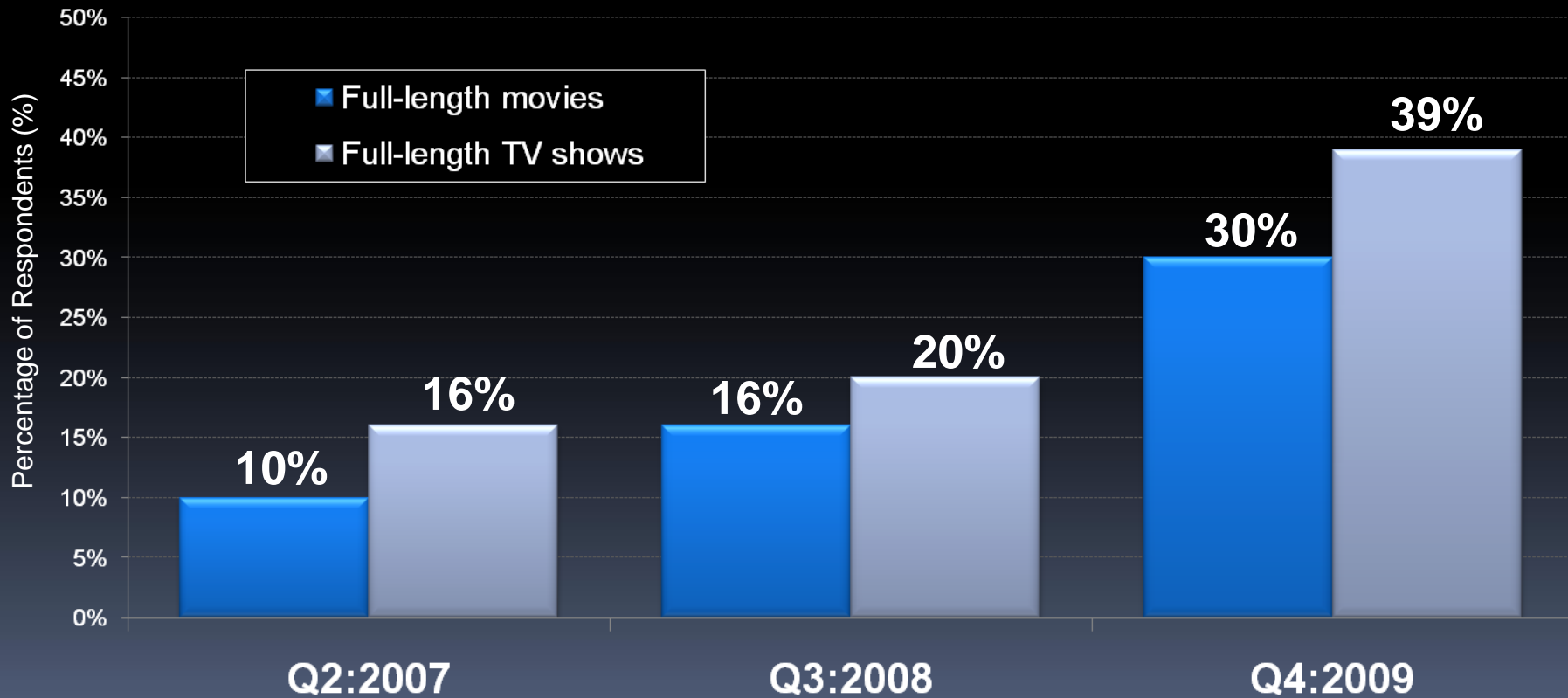
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Consumers are Looking for Convenience

Percentage of Active Online Video Viewers

(Among respondents 18+ in U.S. broadband households participating at least monthly)



Source: Parks Associates *Entertainment Networks and High-end Media Servers*, 2010; *Digital Media Habits II*, John Barret director of research, October 2007

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It's about the consumer...

“How can I make sure my digital memories are safe?”



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My Book and My Passport Keep data safe

- Smart backup & storage
- Maximum capacity
- USB 3.0
- Stylish

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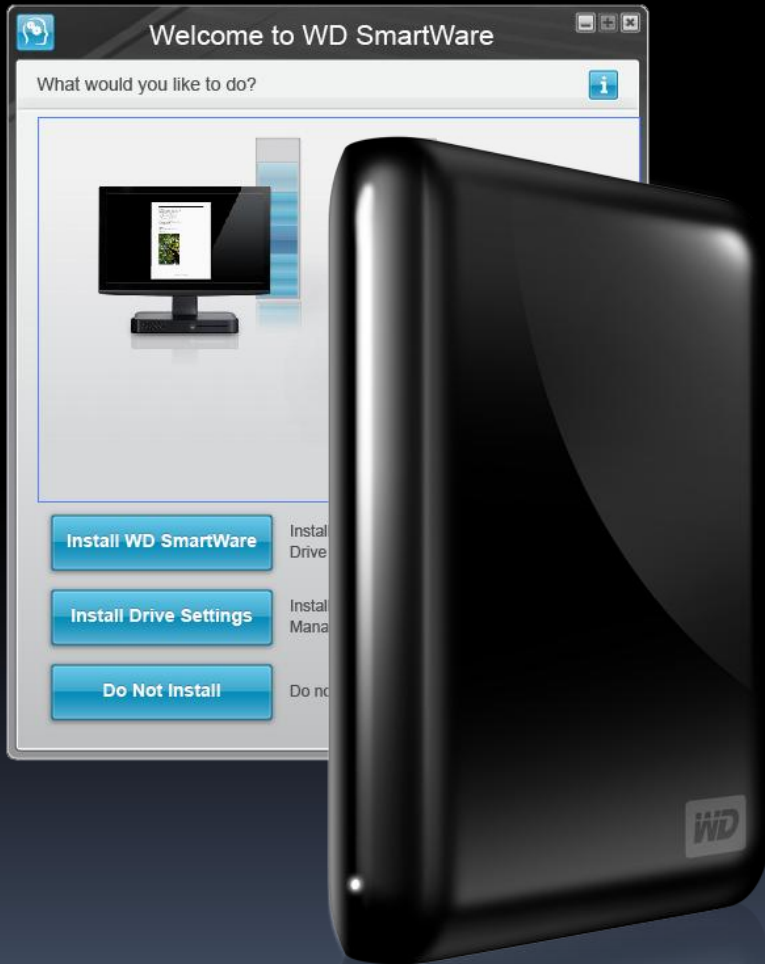


**“How can I have my
digital content with
me all the time?”**



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My Passport

Portable Hard Drives

- Maximum capacity
- See your life safe in one place
- Password protection

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My Book Live

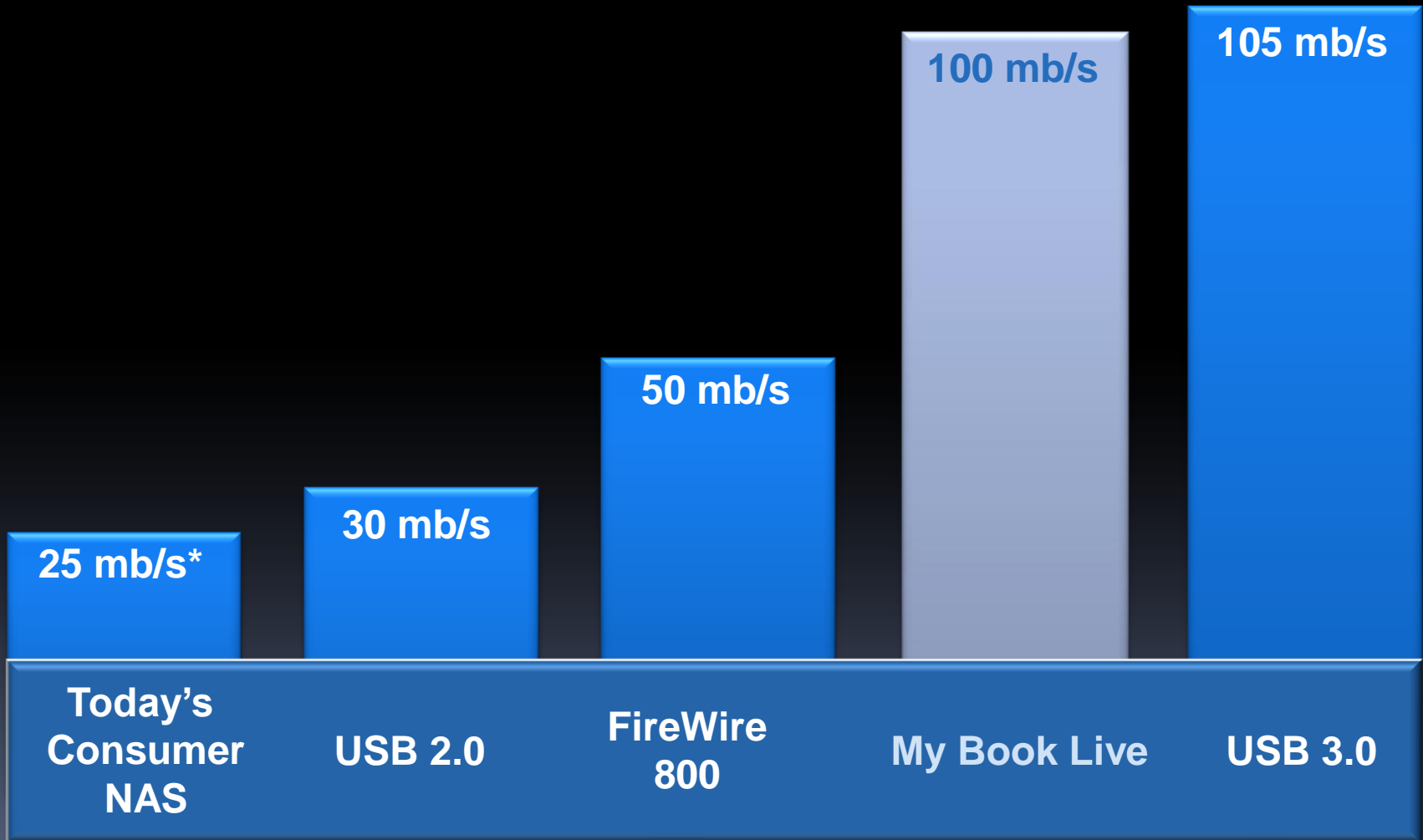
Home Network Drive

- Simple setup
- Centralized content
- Mac and PC
- Remote access
- Media streaming

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Sacrifice Nothing



*Read speeds

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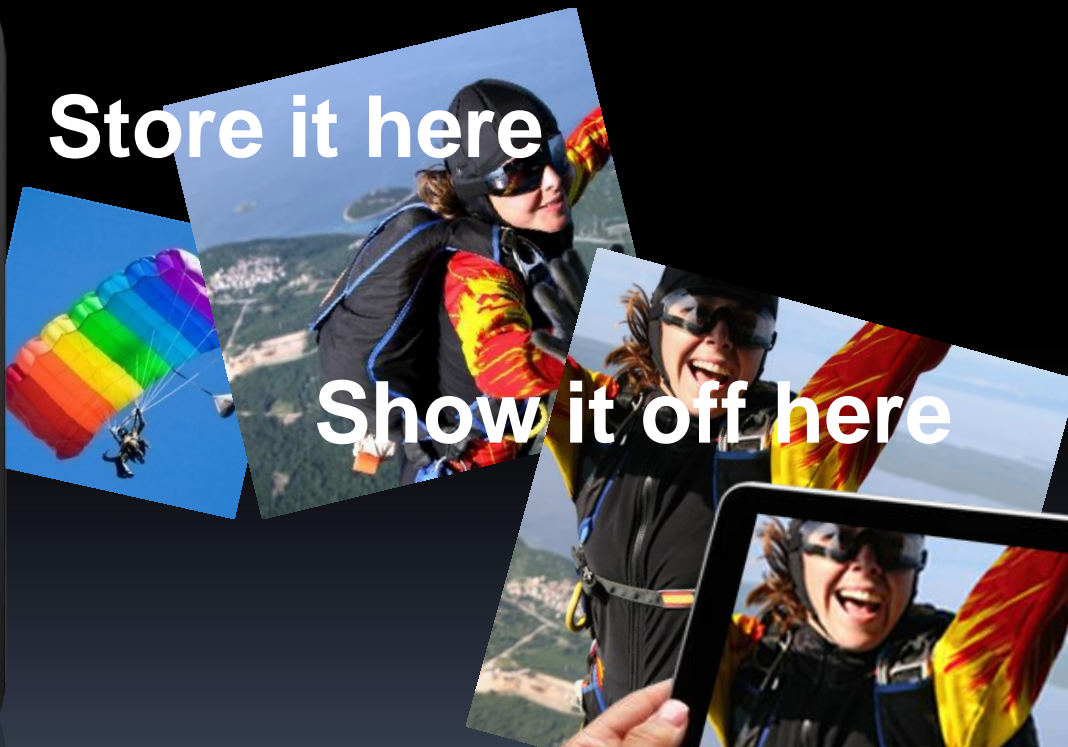
**Experience content
on any screen**

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Store it here



Show it off here



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WD Photos

Photo Viewer App for
iPad, iPhone, Android, and iPod touch

The ultimate photo album

- Access all your photos
- Pinch and zoom
- Slide show animations
- Supports multi-tasking
- Upload photos to Facebook

“How can I watch the latest movie and TV shows when I want to?”

“How can I show off vacation photos on my HDTV?”



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Movies

6 of 100

- Hawaii 2009.mpg
- African Plains.mpg
- Kayak Trip.mpg
- Clown Fish.avi
- Imperial
- New



WD TV Live Plus Media Player

- Full-HD 1080p
- Variety of file formats
- Access to anywhere

Instant
streaming
ready

NETFLIX

facebook

Mediafly

BLOCKBUSTER
On Demand

flickr

AccuWeather.com

PANDORA
internet radio

YouTube
VIDEOS

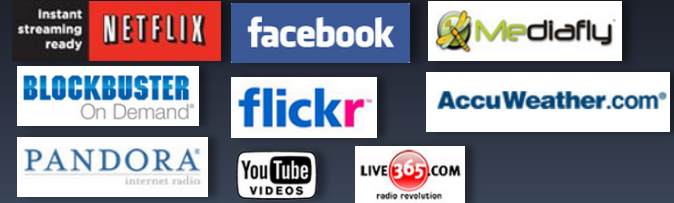
LIVE 365
radio revolution

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WD TV Live Hub Media Center

- Full-HD 1080p
- Variety of file formats
- Access to anywhere
- 1TB of storage



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“The WD TV Live Hub is quite the compact home entertainment center.”

WIRED

“...offers a “compelling” model for storing and sharing content and playing it on the TV.”



The "Set-Top Box That Rocks" Award for Best New TV Set Add-on Box goes to the WDTV Live Hub.



“All in all the Western Digital TV Live Hub is my new favorite toy in the living room. The box gives ten years of digitalization finally a meaning.”

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**“How can I extend the
Internet to my HDTV?”**



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WD Livewire

Powerline AV Network Kit
Ethernet, HomePlug AV

- As easy as plugging in a lamp
- Stream HD
- Multiple secure connections



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All in all, however, we found that the WD Livewire kit is the **best among HomePlug AV adapters** and it is a great alternative to a wireless connection.



...**excellent performance**... extra ports... makes the WD Livewire our favorite powerline networking kit yet...

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“Where do I buy?”



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Global Retail



Panam



EMEA



APAC



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The Connected Home with WD



My Passport Essential

Portable Hard Drives

Next Generation storage to go



WD Apps

Access Anywhere



My Book Live

Home Network Drive

Centralize your media to play it to any DLNA certified device



WD TV Live Hub

WD TV Live Plus

Media Center / Player

Store and play personal media and the best of the Internet



WD Livewire

Powerline AV Network Kit

For a high-speed wired Internet connection anywhere in your home

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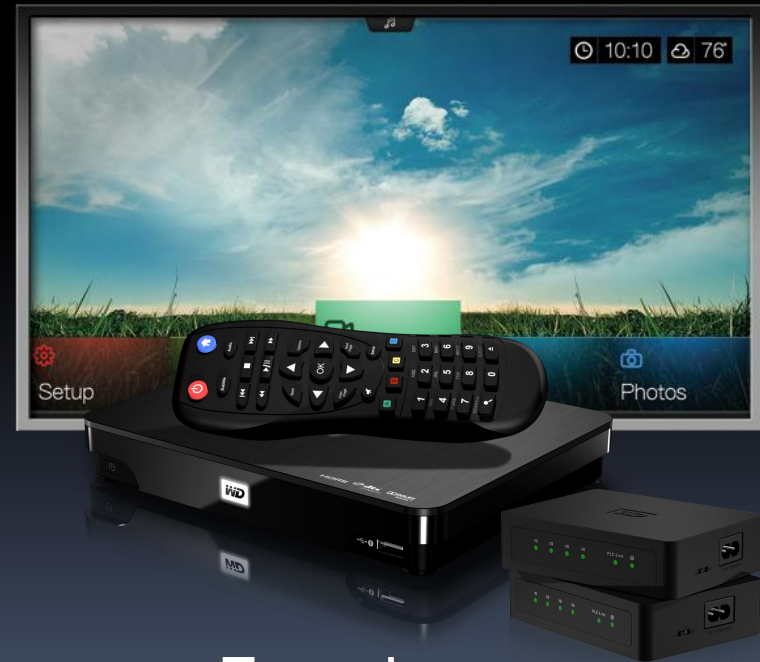
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Store & Protect



Share



Experience

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Q&A

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