

WESTERN DIGITAL CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions; unaudited)

	Sept. 28, 2012	Jun. 29, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,537	\$ 3,208
Accounts receivable, net	1,951	2,364
Inventories	1,304	1,210
Other	394	359
Total current assets	7,186	7,141
Property, plant and equipment, net	4,027	4,067
Goodwill	1,944	1,975
Other intangible assets, net	746	799
Other assets	269	224
Total assets	<u>\$ 14,172</u>	<u>\$ 14,206</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$ 2,545	\$ 2,773
Accrued expenses	774	858
Accrued warranty	146	171
Current portion of long-term debt	230	230
Total current liabilities	3,695	4,032
Long-term debt	1,898	1,955
Other liabilities	542	550
Total liabilities	6,135	6,537
Total shareholders' equity	8,037	7,669
Total liabilities and shareholders' equity	<u>\$ 14,172</u>	<u>\$ 14,206</u>

WESTERN DIGITAL CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share amounts)
(unaudited)

	Three Months Ended	
	Sept. 28, 2012	Sept. 30, 2011
Revenue, net	\$ 4,035	\$ 2,694
Cost of revenue	2,842	2,153
Gross margin	1,193	541
Operating expenses:		
Research and development	396	193
Selling, general and administrative	179	89
Employee termination benefits and other charges	26	—
Total operating expenses	601	282
Operating income	592	259
Net interest and other	(14)	(1)
Income before income taxes	578	258
Income tax provision	59	19
Net income	\$ 519	\$ 239
Income per common share:		
Basic	\$ 2.11	\$ 1.03
Diluted	\$ 2.06	\$ 1.01
Weighted average shares outstanding:		
Basic	246	233
Diluted	252	237

WESTERN DIGITAL CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions; unaudited)

	Three Months Ended	
	Sept. 28, 2012	Sept. 30, 2011
Cash flows from operating activities		
Net income	\$ 519	\$ 239
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization	313	158
Stock-based compensation	39	17
Deferred income taxes	(12)	9
Changes in operating assets and liabilities, net	77	(71)
Net cash provided by operating activities	<u>936</u>	<u>352</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(382)	(134)
Acquisition	(9)	—
Cash used in investing activities	<u>(391)</u>	<u>(134)</u>
Cash flows from financing activities		
Employee stock plans, net	60	(2)
Repurchases of common stock	(218)	—
Repayment of debt	(58)	(31)
Net cash used in financing activities	<u>(216)</u>	<u>(33)</u>
Net increase in cash and cash equivalents	329	185
Cash and cash equivalents, beginning of period	3,208	3,490
Cash and cash equivalents, end of period	<u>\$ 3,537</u>	<u>\$ 3,675</u>