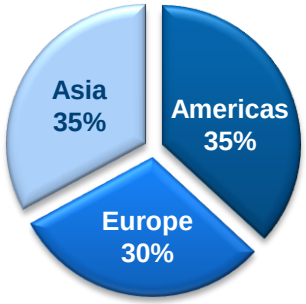
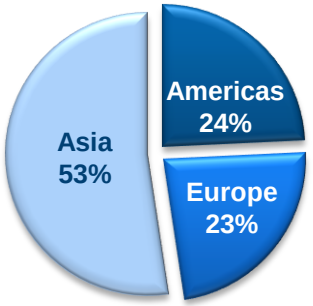
Amounts in millions; except per share amounts, ASP percentages.	Q2 FY07	Q3 FY07	Q4 FY07	Q1 FY08	Q2 FY08	Q3 FY08	Q4 FY08	Q1 FY09	Q2 FY09	Q3 FY09	Q4 FY09	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	Q1 FY11	Q2 FY11	Q3 FY11 Low	Q3 FY11 High
TAM	118.8	113.0	111.8	133.6	143.7	131.6	131.9	145.8	123.8	111.4	135.4	152.4	160.4	163.3	156.2	164.0	167.5		
Share	20.7%	21.7%	22.3%	22.0%	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%		
Units (HDD)	24.5	24.5	24.9	29.4	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		
ASP	$58	$58	$55	$59	$61	$59	$56	$53	$51	$50	$48	$49	$52	$51	$47	$46	$47		
Revenue	$1,428	$1,410	$1,367	$1,766	$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	$2,200	$2,250
Gross Margin	$255	$222	$205	$323	$513	$477	$425	$424	$290	$253	$370	$514	$687	$665	$535	$437	$475		
Gross Margin %	17.9%	15.7%	15.0%	18.3%	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%		
R&D	$77	$75	$79	$91	$122	$123	$128	$133	$119	$125	$132	$142	$154	$160	$154	$167	$169		
SG&A	$56	$32	$47	$48	$59	$56	$56	$57	$42	$49	$52	$53	$60	$64	$88	$59	$66		
Other	$ -	$ -	$ -	$49	$ -	$ -	$ -	$ -	$113	$18	($23)	$ -	$ -	$ -	$ -	$ -	$ -		
Total Operating Expenses	$133	$107	$126	$188	$181	$179	$184	$190	$274	$192	$161	$195	$214	$224	$242	$226	$235	$240	$240
Operating Income	$122	$115	$79	$135	$332	$298	$241	$234	$16	$61	$209	$319	$473	$441	$293	$211	$240		
Net Income	$128	$121	$212	$69	$305	$280	$213	$211	$14	$50	$196	$288	$429	$400	$265	$197	$225		
EPS	$0.57	$0.53	$0.94	$0.31	$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	$0.55	$0.65
Diluted Shares Outstanding	226	226	225	224	226	227	227	226	224	226	227	230	232	234	235	234	235	236	236
Top 10 Customers Revenue	49%	46%	48%	46%	47%	48%	53%	51%	49%	47%	52%	56%	55%	51%	52%	50%	48%		
Revenue by Channel																			
OEM	46%	47%	47%	50%	48%	50%	57%	56%	57%	48%	54%	52%	48%	49%	54%	50%	45%		
Distributors	37%	34%	36%	31%	34%	34%	24%	26%	21%	30%	29%	31%	30%	33%	29%	32%	33%		
Retail	17%	19%	17%	19%	18%	16%	19%	18%	22%	22%	17%	17%	22%	18%	17%	18%	22%		
Revenue by Geography																			
Americas	38%	36%	40%	34%	32%	28%	29%	23%	23%	26%	24%	22%	25%	24%	25%	23%	22%		
Europe	32%	29%	26%	33%	32%	31%	25%	29%	29%	28%	22%	22%	25%	24%	21%	23%	25%		
Asia	30%	35%	34%	33%	36%	41%	46%	48%	48%	46%	54%	56%	50%	52%	54%	54%	53%		
Compute Units																			
Notebook	2.032	2.960	2.986	4.785	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		
Desktop	16.519	15.399	15.731	16.674	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		
Non-Compute Units																			
Consumer Electronics	2.714	2.579	2.692	3.707	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		
Branded	2.254	2.596	2.317	2.910	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		
Enterprise Units	0.943	0.978	1.127	1.281	1.280	1.324	1.266	1.203	1.005	0.973	1.308	1.669	2.170	2.356	2.346	2.319	2.284		
Total HDD Units	24.462	24.512	24.853	29.357	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		

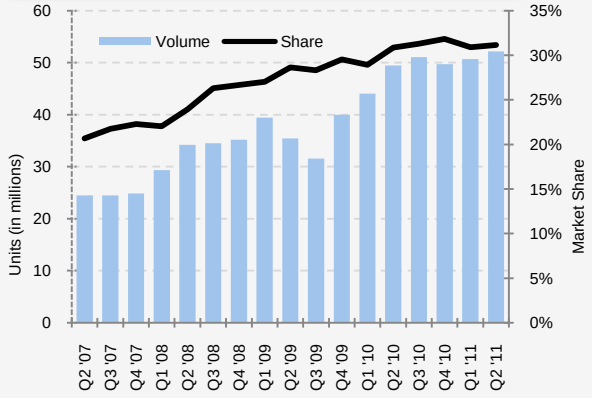
Revenue by Geography Rolling Four Quarters Ending Q2 FY08



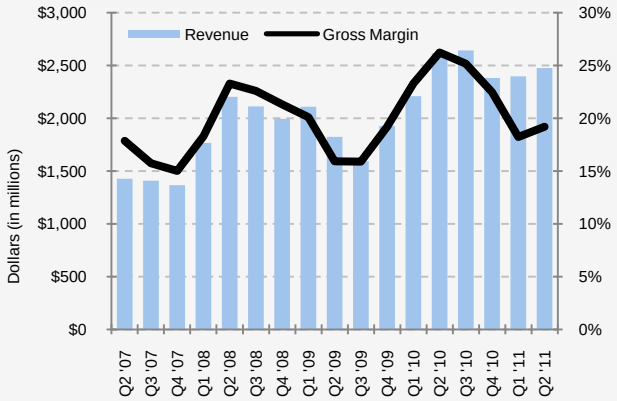
Revenue by Geography Rolling Four Quarters Ending Q2 FY11



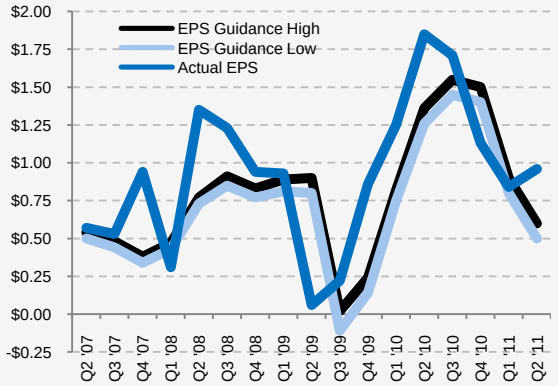
Volume and Market Share



Revenue and Gross Margin



EPS Analysis



Note: Q1'08 actual EPS reflects the acquisition of Komag, Inc. and a one-time net tax charge of $60M. Q2'09 includes restructuring charge of $113M

Note: Information is presented on a GAAP basis

Balance sheet, cash flows, earnings and share repurchase amounts in millions	Q2 FY07	Q3 FY07	Q4 FY07	Q1 FY08	Q2 FY08	Q3 FY08	Q4 FY08	Q1 FY09	Q2 FY09	Q3 FY09	Q4 FY09	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	Q1 FY11	Q2 FY11
Cash and Cash Equivalents	$676	$704	$700	$651	$917	$917	$1,104	$1,213	$1,376	$1,579	$1,794	$2,056	$2,435	$2,826	$2,734	$2,858	$3,110
Debt	$49	$27	$22	$1,018	$775	$514	$509	$507	$504	$502	$482	$463	$444	$425	$400	$375	$350
Net Cash and Cash Equivalents	$627	$677	$678	($367)	$142	$403	$595	$706	$872	$1,077	$1,312	$1,593	$1,991	$2,401	$2,334	$2,483	$2,760
Cash Flow From Operations	$184	$164	$154	$219	$519	$431	$229	$301	$300	$355	$349	$434	$557	$588	$363	$390	$505
Free Cash Flow	$74	$94	$69	$56	$350	$294	$83	$139	$160	$249	$238	$258	$358	$411	$178	$190	$255
Capital Expenditures	$110	$70	$85	$163	$169	$137	$146	$162	$140	$106	$111	$176	$199	$177	$185	$200	$250
Depreciation and Amortization	$50	$55	$61	$78	$111	$111	$113	$117	$122	$119	$122	$121	$126	$128	$134	$150	$151
EBITDA	$172	$170	$140	$213	$443	$409	$354	$351	$138	$180	$331	$440	$599	$569	$427	$361	$391
Accounts Receivable, Net	$668	$715	$697	$985	$1,086	$1,014	$1,010	$1,082	$926	$824	$926	$1,131	$1,365	$1,257	$1,256	$1,325	$1,250
Inventory																	
Raw Materials	$17	$12	$12	$165	$171	$153	$144	$129	$124	$104	$97	$96	$102	$115	$159	$155	$141
Work in Process	$90	$86	$94	$145	$131	$131	$145	$168	$159	$152	$154	$173	$212	$254	$255	$266	$274
Finished Goods	$158	$145	$153	$151	$157	$171	$167	$180	$163	$129	$125	$126	$139	$138	$146	$140	$153
Inventory, Net	$265	$243	$259	$461	$459	$455	$456	$477	$446	$385	$376	$395	$453	$507	$560	$561	$568
Property, Plant and Equipment, Net	$637	$672	$741	$1,516	$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
Accounts Payable	$816	$851	$882	$1,106	$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
Days Sales Outstanding	43	46	46	51	45	44	46	47	46	47	47	47	47	43	48	50	46
Days Inventory Outstanding	20	19	20	29	25	25	27	26	27	26	24	21	21	23	28	26	26
Days Payables Outstanding	63	65	69	70	66	64	69	66	64	68	69	72	71	69	74	79	74
Cash Conversion Cycle	-	-	(3)	10	4	5	4	7	9	5	2	(4)	(3)	(3)	2	(3)	(2)
Inventory Turns	18	20	18	13	15	14	14	14	14	14	15	17	17	16	13	14	14
Shares Repurchased	-	1.5	2.5	0.8	-	1.5	-	1.2	-	-	-	-	-	-	-	1.8	-
Shares Repurchased $	$ -	$29	$45	$16	$ -	$44	$ -	$36	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$50	$ -
Remaining Amount Authorized	$136	$107	$62	$46	$46	$502	$502	$466	$466	$466	$466	$466	$466	$466	$466	$416	$416
R4Q ROIC	34.0%	32.3%	28.7%	27.3%	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%
R4Q ROA	19.4%	18.7%	16.8%	16.4%	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%
Worldwide Headcount	27,055	27,277	29,572	41,263	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

Business Model

Gross Margin
18%-23%

Operating Expense
9%-10%

Operating Income
8%-14%

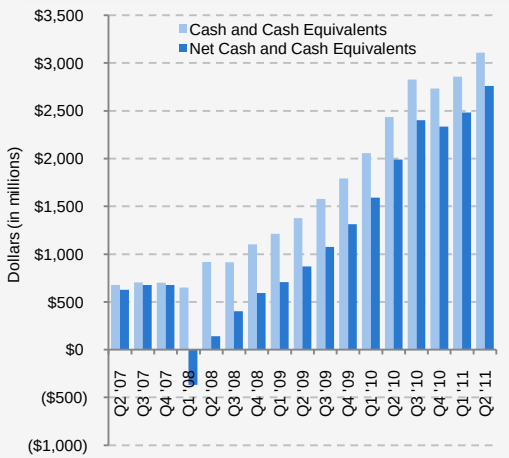
Tax
6%-9% of Income Before Tax

Capital Expenditures
7%-8%
(+ up to $200M in FY11 for conversion to 8" wafers)

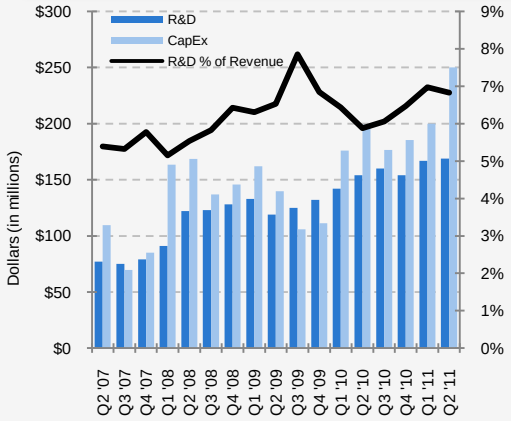
Inventory Turns
12-16 Turns

Conversion Cycle
4-8 Days

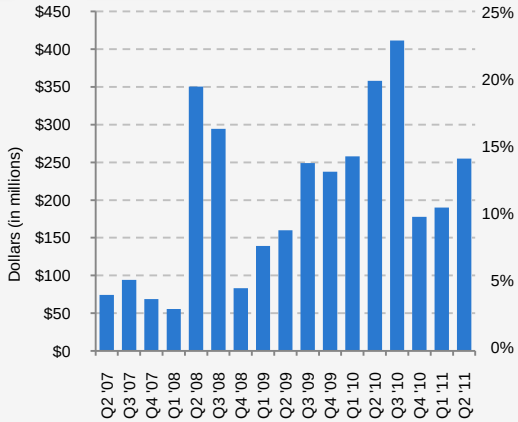
Gross vs. Net Cash & Cash Equivalents



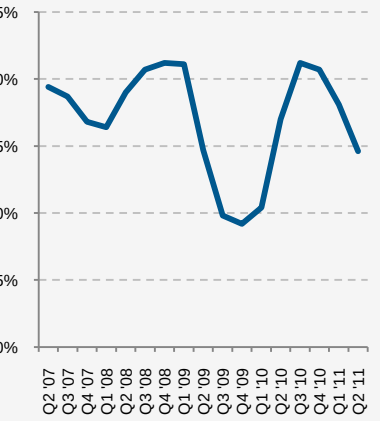
R&D and Capital Expenditures



Free Cash Flow



Return on Assets



Note: Information is presented on a GAAP basis

Footnotes

1.FY08 and Q1 FY11 ASP, Revenue by Channel and Revenue by Geography exclude external sales of media/substrates

2.Revenue by Channel, Revenue by Geography and Units excludes WD TV Media Players without hard drives, WD Livewire, SSD and media

3.Worldwide Headcount excludes temporary employees

Formulas

Share = Units / TAM

ASP = Revenue / Units

Free Cash Flow = Cash Flow from Operations – Capital Expenditures

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 = (Net Income from Continuing Operations + Interest Expense) / (Equity + Debt)

R4Q ROA = Net Income from Continuing Operations / Average Total Assets