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Amounts in millions, except exabytes, ASP, headcount, percentages, and metrics		Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17
Revenue	Client Devices ¹	\$1,584	\$2,374	\$2,418	\$2,318	\$2,410
	Client Solutions ¹	666	976	1,076	1,003	1,013
	Data Center Devices & Solutions ¹	1,245	1,364	1,394	1,328	1,419
	Total Revenue	\$3,495	\$4,714	\$4,888	\$4,649	\$4,842
Exabytes Shipped	Client Devices ¹	32.0	39.2	39.2	36.4	36.5
	Client Solutions ¹	9.5	12.2	12.3	11.3	11.2
	Data Center Devices & Solutions ¹	24.6	28.6	26.3	26.5	33.5
	Total Exabytes Shipped²	66.1	80.0	77.8	74.2	81.2
	Cash Flows provided by Operating Activities	\$355	\$440	\$1,060	\$998	\$939
	Purchases of Property, Plant and Equipment, net	(151)	(183)	(146)	(103)	(125)
	Activity Related to Flash Ventures, net	(90)	(27)	(43)	(154)	(53)
	Free Cash Flow³	\$114	\$230	\$871	\$741	\$761
	Days Sales Outstanding	38	39	37	38	37
	Days Inventory Outstanding	72	57	57	66	67
	Days Payables Outstanding	(70)	(58)	(59)	(69)	(68)
	Cash Conversion Cycle	40	38	35	35	36
	Worldwide Headcount ⁴	72,878	72,273	70,801	71,245	67,629
	HDD TAM	98.7	113.8	111.5	98.8	N/A ⁵
	HDD Share	40.6%	41.7%	40.2%	39.6%	N/A ⁵
	HDD Units ⁶	40.1	47.5	44.8	39.1	39.3
	HDD ASP	\$63	\$61	\$62	\$63	\$63
	HDD Notebook Units ⁷	11.5	14.6	14.7	11.3	10.3
	HDD Desktop Units ⁷	7.9	9.0	9.9	9.4	8.9
	HDD Consumer Electronics Units ⁸	10.0	12.3	8.3	7.7	9.6
	HDD Branded Units	4.7	5.2	5.5	4.9	4.3
	HDD Enterprise Units	6.0	6.4	6.4	5.8	6.2
	Total HDD Units	40.1	47.5	44.8	39.1	39.3

Formulas

Free Cash Flow = Cash Flows provided by Operating Activities – Purchases of Property, Plant and Equipment, Net – Activity Related to Flash Ventures, net

Days Sales Outstanding (DSO) = Accounts Receivable / (Revenue / 91 days)

Days Inventory Outstanding (DIO) = Inventories / (Cost of Revenue / 91 days)

Days Payables Outstanding (DPO) = Accounts Payable (including Accounts Payable to Related Parties) / (Cost of Revenue / 91 days)

Cash Conversion Cycle = DSO + DIO – DPO

HDD Share = Units (HDD) / TAM (HDD)

HDD ASP = Revenue (HDD) / Units (HDD)

Footnotes

- Client Devices is comprised of notebook and desktop HDD, consumer electronics HDD, client SSD, embedded, wafer sales and licensing and royalties. Client Solutions is comprised of branded HDD, branded flash, removables and licensing and royalties. Data Center Devices and Solutions is comprised of enterprise HDD, enterprise SSD, data center software, data center solutions and licensing and royalties.
- Excludes Non-Memory Products.
- Free cash flow is a non-GAAP financial measure defined as cash flows provided by operating activities less purchases of property, plant and equipment, net of proceeds from sales of property, plant and equipment, and the activity related to Flash Ventures, net. 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, paying dividends and repurchasing stock.
- Worldwide Headcount excludes temporary and contracted employees.
- HDD TAM and Share are based on market data and provided on a quarter lag based on availability of information.
- HDD Unit volume excludes SSD and media.
- HDD Notebook and Desktop includes shipments to distributors, second/third tier external HDD manufacturers, and white box manufacturers.
- Consumer Electronics includes gaming.

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Debt Tranches and Interest Rates

Debt	Base Rate ^A	Tenor	Maturity	Balance Outstanding as of 6/30/2017 ^B (in millions)	Applicable Rates
Revolver drawn ^C	L+200	5 years		\$0	3.226%
Term Loan A (floor of 0bps)	L+200	5 years	April 29, 2021	\$4,125	3.226% ^G
Term Loan B-2 U.S. Dollar (floor of 75bps)	L+275	7 years	April 29, 2023	\$2,970	3.976%
Term Loan B-2 Euro (floor of 75 bps) ^D	E+200	7 years	April 29, 2023	\$1,001	2.750%
Sr. Secured Notes Due 2023 ^E	7.375%	7 years	April 1, 2023	\$1,875	7.375%
Sr. Unsecured Notes Due 2024 ^E	10.500%	8 years	April 1, 2024	\$3,350	10.500%
Convertible Debt ^F	0.500%	7 years	October 15, 2020	\$35	0.500%
Total				\$13,356	5.757%^H

- A. All-in applicable rates as of June 30, 2017. Applicable spread for Term Loan A and Revolver over LIBOR based on leverage ratio as of June 30, 2017.
- B. Excluding Original Issue Discount and fees
- C. Revolver capacity: \$1 billion as of June 30, 2017
- D. EURO denominated debt current balance of Euro 878 million as of June 30, 2017.
- E. Notes are callable beginning April 1, 2019
- F. Debt assumed in connection with the acquisition of SanDisk Corporation in May 2016
- G. The Company has entered into an interest rate swap that effectively fixes the rate on \$1 billion of principal on Term Loan A at 3.66% through May 2020.
- H. Weighted average interest rate as of June 30, 2017

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Discrete Pro Forma Financial Information

Amounts in millions, except percentages	Western Digital Historical Q4 FY16	SanDisk Historical Q4 FY16	Pro Forma Combined Company
Pro Forma Revenue by End Market ^A			
Client Devices	\$1,584	\$183	\$1,767
Client Solutions	666	222	888
Data Center Devices and Solutions	1,245	86	1,331
Total Revenue	\$3,495	\$491	\$3,986
Reconciliation of Pro Forma Gross Margin			
GAAP Pro Forma Gross Profit	\$821	\$159	\$980
Amortization of acquired intangible assets	114	13	127
Stock-based compensation expense	8	2	10
Acquisition-related charges	122	-	122
Charges related to cost saving initiatives	27	-	27
Non-GAAP Pro Forma Gross Profit	\$1,092	\$174	\$1,266
Pro Forma Revenue	\$3,495	\$491	\$3,986
GAAP Pro Forma Gross Margin	23.5%	32.4%	24.6%
Non-GAAP Pro Forma Gross Margin	31.2%	35.4%	31.8%

Amounts in millions, except percentages	Western Digital Historical Year Ended FY16	SanDisk Historical Year Ended FY16	Pro Forma Combined Company
Pro Forma Revenue by End Market ^A			
Client Devices	\$6,205	\$1,989	\$8,194
Client Solutions	1,870	2,120	3,990
Data Center Devices and Solutions	4,919	743	5,662
Total Revenue	\$12,994	\$4,852	\$17,846
Reconciliation of Pro Forma Gross Margin			
GAAP Pro Forma Gross Profit	\$3,435	\$1,930	\$5,365
Amortization of acquired intangible assets	163	98	261
Stock-based compensation expense	21	18	39
Acquisition-related charges	122	-	122
Charges related to cost saving initiatives	74	-	74
Other	(5)	-	(5)
Non-GAAP Pro Forma Gross Profit	\$3,810	\$2,046	\$5,856
Pro Forma Revenue	\$12,994	\$4,852	\$17,846
GAAP Pro Forma Gross Margin	26.4%	39.8%	30.1%
Non-GAAP Pro Forma Gross Margin	29.3%	42.2%	32.8%

A. Certain immaterial reclassifications between end market categories have been made to the pro forma combined revenues by end market for the year ended July 1, 2016 to conform to the current year presentation.

The pro forma revenue, gross profit and gross margin in the table above are calculated based on combining the historically reported financial information for Western Digital Corporation and SanDisk Corporation, acquired in May 2016. The pro forma gross profit for the periods presented reflects results historically presented in accordance with U.S. GAAP and is presented on a GAAP basis and a non-GAAP basis excluding amortization of acquired intangible assets, stock-based compensation expense, acquisition-related charges, charges related to cost saving initiatives, and other charges. The pro forma financial information as presented above is for informational purposes only to facilitate a comparison to the company's financial results for the fourth fiscal quarter and year ended June 30, 2017 and is not necessarily indicative of the results of operations that would have been achieved if the acquisition had taken place at the beginning of the fourth fiscal quarter ended July 1, 2016 or if the acquisition had taken place at the beginning of the fiscal year ended July 1, 2016.