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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): July 21, 2011

**Western Digital Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of incorporation)

**001-08703**

(Commission File Number)

**33-0956711**

(IRS Employer Identification No.)

**3355 Michelson Drive, Suite 100  
Irvine, California**

(Address of principal executive offices)

**92612**

(Zip Code)

Registrant's telephone number, including area code: **(949) 672-7000**

**Not applicable**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition.**

On July 21, 2011, Western Digital Corporation (“Western Digital”) announced financial results for the fourth fiscal quarter and fiscal year ended July 1, 2011. A copy of the press release making this announcement is attached hereto as Exhibit 99.1 and is incorporated herein by reference. A copy of Western Digital’s Investor Information Summary for the fourth fiscal quarter ended July 1, 2011 is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

In Western Digital’s press release attached as Exhibit 99.1 hereto, Western Digital reports certain financial information, including net income and earnings per share on both a GAAP and a non-GAAP basis for the fourth fiscal quarter and fiscal year ended July 1, 2011. These non-GAAP measures exclude expenses related to Western Digital’s planned acquisition of Hitachi Global Storage Technologies and unrelated litigation accruals. Because management believes these expenses may not be indicative of ongoing operations, management believes that the non-GAAP measures presented in the press release are useful to investors as an alternative method for measuring Western Digital’s operating performance and comparing it against prior periods’ performance.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 2.02, including Exhibit 99.1 and Exhibit 99.2, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.****(d) Exhibits**

- |      |   |
|------|---|
| 99.1 | Press Release issued by Western Digital Corporation on July 21, 2011 announcing financial results for the fourth fiscal quarter and fiscal year ended July 1, 2011. |
| 99.2 | Fourth Quarter Fiscal Year 2011 Western Digital Corporation Investor Information Summary.   |

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**Western Digital Corporation**  
*(Registrant)*

By: /s/ Michael C. Ray

Michael C. Ray  
Senior Vice President, General Counsel  
and Secretary

Date: July 21, 2011

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**FOR IMMEDIATE RELEASE:**

**WD® ANNOUNCES Q4 REVENUE OF \$2.4 BILLION AND  
NET INCOME OF \$158 MILLION, OR \$0.67 PER SHARE**

***Full-Year Revenue Totals \$9.53 Billion, Net Income of \$3.09 Per Share***

IRVINE, Calif.—Jul. 21, 2011—Western Digital Corp. (NYSE: WDC) today reported financial results for its fiscal year 2011 and fourth quarter ended Jul. 1, 2011.

For the quarter, revenue totaled \$2.4 billion, net income was \$158 million, or \$0.67 per share, and hard-drive unit shipments were 54 million. The quarterly results included total expenses of \$35 million associated with the planned acquisition of Hitachi Global Storage Technologies (Hitachi GST) announced Mar. 7, 2011, and for unrelated litigation accruals. Excluding these expenses, non-GAAP net income was \$193 million or \$0.81 per share.<sup>1</sup>

In the year-ago quarter, the company reported revenue of \$2.38 billion, net income of \$265 million, or \$1.13 per share, and shipped 50 million hard drives. The 2010 results included \$27 million of expenses related to litigation accruals. Excluding these expenses, the year-ago quarter non-GAAP net income was \$292 million, or \$1.24 per share.<sup>2</sup>

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The company generated \$447 million in cash from operations during the June quarter, ending with total cash and cash equivalents of \$3.5 billion.

For fiscal year 2011, the company posted revenue of \$9.53 billion and net income of \$726 million, or \$3.09 per share, compared to fiscal 2010 revenue of \$9.85 billion and net income of \$1.38 billion, or \$5.93 per share. The 2011 net income included total expenses of \$44 million associated with the planned acquisition of Hitachi GST and unrelated litigation accruals. Excluding these expenses, fiscal 2011 non-GAAP net income was \$770 million or \$3.28 per share.<sup>1</sup> The 2010 net income included \$27 million of expenses related to litigation accruals. Excluding these expenses, fiscal 2010 non-GAAP net income was \$1.41 billion, or \$6.05 per share.<sup>2</sup>

“In the June quarter, we were able to meet stronger than anticipated demand, especially from our OEM customers,” said John Coyne, president and chief executive officer. “We believe the stronger demand was driven by increased use of sea freight in advance of the second half of the calendar year as well as supply continuity concerns in the aftermath of the Japan earthquake.

“In a challenging HDD market environment in fiscal 2011, the industry saw unit volume growth of four percent while WD achieved growth of six percent as customers demonstrated a continued preference for the WD value proposition.

“We remain focused on completing our strategic acquisition of Hitachi GST. We are continuing to engage in the approval process with all the appropriate regulatory agencies and thus far we have received clearance from Brazil, Taiwan and Turkey. We continue to work closely with the remaining agencies which are reviewing our transaction. As previously announced, we now expect that the transaction will close in the fourth calendar quarter of 2011, and our integration planning activities continue on schedule.”

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WD Announces Q4 Revenue of \$2.4 Billion and  
Net Income of \$158 Million, or \$0.67 Per Share  
Page 3

The investment community conference call to discuss these results will be broadcast live over the Internet today at 2 p.m. Pacific/5 p.m. Eastern. The live and archived conference call webcast can be accessed online at [www.westerndigital.com/investor](http://www.westerndigital.com/investor), click on "Conference Calls." The telephone replay dial-in number is 866.501.8774 in the U.S. or +1.203.369.1854 for international callers.

#### **About WD**

WD, one of the storage industry's pioneers and long-time leaders, provides products and services for people and organizations that collect, manage and use digital information. The company designs and produces reliable, high-performance hard drives and solid state drives that keep users' data accessible and secure from loss. Its advanced technologies are configured into applications for client and enterprise computing, embedded systems and consumer electronics, as well as its own consumer storage and home entertainment products.

WD was founded in 1970. The company's storage products are marketed to leading OEMs, systems manufacturers, selected resellers and retailers under the Western Digital® and WD® brand names. Visit the Investor section of the company's website ([www.westerndigital.com](http://www.westerndigital.com)) to access a variety of financial and investor information.

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This press release contains forward-looking statements concerning the expected timing of the completion of the planned acquisition of Hitachi GST. The foregoing 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 data storage markets; business conditions and growth in the various hard drive 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 Form 10-Q filed with the SEC May 2, 2011, to which your attention is directed. Readers 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.

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*Western Digital, WD, and the WD logo are registered trademarks of Western Digital Technologies, Inc. All other trademarks mentioned herein belong to their respective owners.*

- 1 Non-GAAP net income for the fourth quarter of fiscal 2011 consists of GAAP net income of \$158 million plus \$35 million of acquisition-related expenses and unrelated litigation accruals. Non-GAAP net income for fiscal year 2011 consists of GAAP net income of \$726 million plus \$44 million of acquisition-related expenses and unrelated litigation accruals. Non-GAAP earnings per share of \$0.81 and \$3.28 for the fourth quarter and fiscal year 2011, respectively, is calculated by using the same 237 and 235 million diluted shares as is used for GAAP earnings per share. The tax effect of the acquisition-related expenses and unrelated litigation accruals was not material.
  - 2 Non-GAAP net income for the fourth quarter of fiscal 2010 consists of GAAP net income of \$265 million plus \$27 million of litigation accruals. Non-GAAP net income for fiscal year 2010 consists of GAAP net income of \$1.38 billion plus \$27 million of litigation accruals. Non-GAAP earnings per share of \$1.24 and \$6.05 for the fourth quarter and fiscal year 2010, respectively, is calculated by using the same 235 and 233 million diluted shares as is used for GAAP earnings per share. The tax effect of the litigation accruals was not material.
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**WESTERN DIGITAL CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in millions; unaudited)

	<b>Jul. 1, 2011</b>	<b>Jul. 2, 2010</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,490	\$ 2,734
Accounts receivable, net	1,206	1,256
Inventories	577	560
Other	214	170
Total current assets	<u>5,487</u>	<u>4,720</u>
Property, plant and equipment, net	2,224	2,159
Goodwill	151	146
Other intangible assets, net	71	88
Other assets	185	215
Total assets	<u>\$ 8,118</u>	<u>\$ 7,328</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 1,545	\$ 1,507
Accrued expenses	349	281
Accrued warranty	132	129
Current portion of long-term debt	144	106
Total current liabilities	<u>2,170</u>	<u>2,023</u>
Long-term debt	150	294
Other liabilities	310	302
Total liabilities	<u>2,630</u>	<u>2,619</u>
Shareholders' equity	5,488	4,709
Total liabilities and shareholders' equity	<u>\$ 8,118</u>	<u>\$ 7,328</u>



WESTERN DIGITAL CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended		Years Ended	
	Jul. 1, 2011	Jul. 2, 2010	Jul. 1, 2011	Jul. 2, 2010
Revenue, net	\$ 2,403	\$ 2,382	\$ 9,526	\$ 9,850
Cost of revenue	1,934	1,847	7,735	7,449
Gross margin	469	535	1,791	2,401
Operating expenses:				
Research and development	188	154	703	611
Selling, general and administrative	109	88	307	265
Total operating expenses	297	242	1,010	876
Operating income	172	293	781	1,525
Net interest and other	(2)	(1)	(1)	(5)
Income before income taxes	170	292	780	1,520
Income tax provision	12	27	54	138
Net income	\$ 158	\$ 265	\$ 726	\$ 1,382
Income per common share:				
Basic	\$ 0.68	\$ 1.15	\$ 3.14	\$ 6.06
Diluted	\$ 0.67	\$ 1.13	\$ 3.09	\$ 5.93
Weighted average shares outstanding:				
Basic	233	230	231	228
Diluted	237	235	235	233

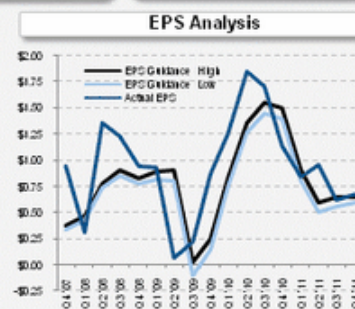
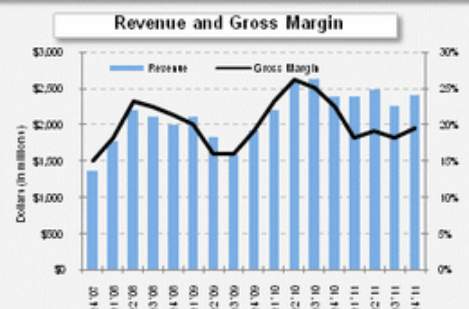
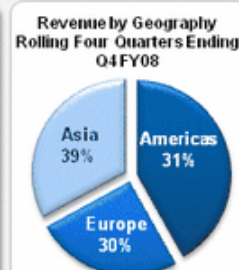
WESTERN DIGITAL CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions; unaudited)

	Three Months Ended		Years Ended	
	Jul. 1, 2011	Jul. 2, 2010	Jul. 1, 2011	Jul. 2, 2010
<b>Cash flows from operating activities</b>				
Net income	\$ 158	\$ 265	\$ 726	\$ 1,382
Adjustments to reconcile net income to net cash provided by operations:				
Depreciation and amortization	150	134	602	510
Stock-based compensation	15	17	69	60
Deferred income taxes	16	29	20	27
Changes in operating assets and liabilities	108	(82)	238	(37)
Net cash provided by operating activities	447	363	1,655	1,942
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment	(153)	(185)	(778)	(737)
Acquisitions	(15)	(253)	(15)	(253)
Sales and maturities of investments	—	—	—	4
Net cash used in investing activities	(168)	(438)	(793)	(986)
<b>Cash flows from financing activities</b>				
Employee stock plans, net	12	8	50	66
Repurchases of common stock	—	—	(50)	—
Repayment of long-term debt	(31)	(25)	(106)	(82)
Net cash used in financing activities	(19)	(17)	(106)	(16)
Net increase in cash and cash equivalents	260	(92)	756	940
Cash and cash equivalents, beginning of period	3,230	2,826	2,734	1,794
Cash and cash equivalents, end of period	\$ 3,490	\$ 2,734	\$ 3,490	\$ 2,734

Amount in millions, except per share amounts, ASP, percentages	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	Q4 FY11
TAB Share	133.6	143.2	131.6	131.9	145.8	123.8	111.4	135.4	152.4	160.4	163.3	166.2	164.0	167.5	159.5	165.6
Share	22.0%	23.9%	26.3%	26.7%	27.0%	28.6%	28.3%	29.0%	28.9%	30.9%	31.3%	31.8%	30.9%	31.2%	31.2%	32.5%
Units (HDD)	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	49.8	53.8
ASF	\$99	\$61	\$99	\$96	\$93	\$51	\$90	\$48	\$49	\$92	\$51	\$47	\$46	\$47	\$45	\$44
Revenue	\$1,266	\$2,204	\$2,111	\$1,993	\$2,309	\$1,823	\$1,892	\$1,928	\$2,209	\$2,619	\$2,641	\$2,282	\$2,396	\$2,475	\$2,252	\$2,403
Gross Margin	\$323	\$513	\$477	\$425	\$424	\$260	\$253	\$370	\$514	\$687	\$665	\$635	\$437	\$415	\$410	\$469
Gross Margin %	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%	16.2%	18.2%	19.5%
R&D	\$91	\$122	\$123	\$128	\$133	\$119	\$125	\$132	\$142	\$154	\$160	\$154	\$167	\$169	\$179	\$188
COGS	\$48	\$99	\$96	\$96	\$97	\$42	\$49	\$92	\$93	\$90	\$94	\$91	\$99	\$96	\$93	\$76
OPEX	\$42	\$-	\$-	\$-	\$-	\$113	\$10	\$10	\$-	\$-	\$-	\$27	\$-	\$-	\$10	\$33
Total Operating Expenses	\$188	\$181	\$179	\$184	\$190	\$274	\$192	\$161	\$195	\$214	\$224	\$242	\$226	\$235	\$232	\$297
Operating Income	\$135	\$332	\$258	\$241	\$234	\$165	\$91	\$209	\$319	\$473	\$441	\$263	\$211	\$240	\$168	\$172
Net Income	\$99	\$305	\$230	\$213	\$211	\$14	\$70	\$196	\$288	\$429	\$400	\$265	\$197	\$225	\$146	\$158
EPS	\$0.31	\$1.35	\$1.23	\$0.94	\$0.69	\$0.06	\$0.22	\$0.86	\$1.25	\$1.85	\$1.71	\$1.13	\$0.84	\$0.96	\$0.62	\$0.67
Diluted Shares Outstanding	224	225	227	227	226	224	226	227	230	232	234	235	234	235	236	237



Note: Q1'08 actual EPS reflects the acquisition of Iomega, Inc. and a one-time net charge of \$50M. Q2'09 includes restructuring charge of \$133M

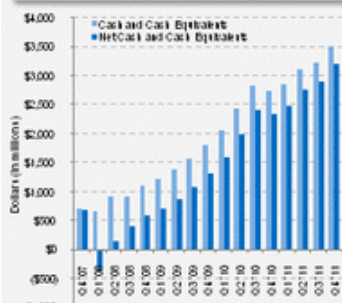


Balance Sheet, Cash Flow, Earnings and their respective annual in millions	Q1				Q2				Q3				Q4			
	2012	2013	2014	2015	2012	2013	2014	2015	2012	2013	2014	2015	2012	2013	2014	2015
Cash and Cash Equivalents	\$651	\$917	\$917	\$1,304	\$1,213	\$1,376	\$1,579	\$1,794	\$2,096	\$2,435	\$2,826	\$2,734	\$2,898	\$3,110	\$3,230	\$3,490
Debt	\$1,015	\$725	\$614	\$529	\$525	\$524	\$522	\$522	\$463	\$444	\$425	\$420	\$321	\$300	\$285	\$284
Net Cash and Cash Equivalents	(\$367)	\$192	\$303	\$775	\$688	\$852	\$1,057	\$1,272	\$1,633	\$1,991	\$2,401	\$2,314	\$2,483	\$2,790	\$2,905	\$3,196
Cash Flow: From Operations	\$219	\$519	\$431	\$229	\$301	\$300	\$355	\$349	\$434	\$557	\$588	\$363	\$390	\$505	\$313	\$417
Free Cash Flow	\$96	\$380	\$294	\$83	\$139	\$160	\$249	\$238	\$238	\$338	\$411	\$178	\$190	\$255	\$138	\$294
Capital Expenditures	\$463	\$499	\$137	\$146	\$462	\$140	\$106	\$111	\$176	\$199	\$177	\$185	\$200	\$250	\$175	\$153
Depreciation and Amortization	\$78	\$111	\$111	\$143	\$117	\$122	\$119	\$121	\$121	\$126	\$128	\$134	\$150	\$151	\$151	\$150
EBITDA	\$213	\$443	\$409	\$354	\$351	\$338	\$180	\$221	\$410	\$599	\$669	\$427	\$361	\$391	\$309	\$322
Accounts Receivable, Net	\$95	\$106	\$104	\$100	\$102	\$95	\$94	\$95	\$131	\$135	\$127	\$126	\$125	\$120	\$117	\$120
Inventory	\$95	\$171	\$153	\$144	\$129	\$124	\$104	\$87	\$96	\$102	\$115	\$109	\$155	\$141	\$151	\$172
Raw Materials	\$145	\$131	\$131	\$145	\$168	\$159	\$152	\$154	\$173	\$212	\$254	\$255	\$266	\$274	\$260	\$263
Work in Process	\$151	\$157	\$171	\$167	\$180	\$163	\$159	\$165	\$126	\$139	\$138	\$146	\$140	\$153	\$163	\$142
Finished Goods	\$461	\$459	\$455	\$456	\$477	\$446	\$385	\$376	\$365	\$453	\$507	\$500	\$551	\$568	\$574	\$577
Inventory, Net	\$1,516	\$1,560	\$1,529	\$1,688	\$1,674	\$1,620	\$1,570	\$1,584	\$1,625	\$1,696	\$1,756	\$2,159	\$2,245	\$2,227	\$2,249	\$2,224
Property, Plant and Equipment, Net	\$1,306	\$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	\$1,486	\$1,545
Days Sales Outstanding	51	45	44	46	47	46	47	47	47	47	43	45	50	46	47	46
Days Inventory Outstanding	29	25	25	27	26	27	26	24	21	21	23	28	26	26	28	27
Days Payable Outstanding	70	66	64	69	66	64	68	69	72	71	69	74	79	74	73	73
Cash Conversion Cycle	10	4	5	4	7	9	5	2	(6)	(5)	(5)	2	(5)	(2)	2	-
Inventory Turns	13	15	14	14	14	14	14	15	17	17	15	13	14	14	13	13
Shares Repurchased	0.8	-	1.5	-	1.2	-	-	-	-	-	-	-	1.5	-	-	-
Shares Repurchased %	\$45	\$-	\$44	\$-	\$36	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$30	\$-	\$-	\$-
Remaining Amount Authorized	\$46	\$46	\$302	\$302	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$416	\$416	\$416	\$416
ROA FOC	27.3%	31.4%	33.8%	34.0%	33.6%	32.9%	14.9%	13.9%	15.3%	24.9%	31.2%	30.2%	25.4%	21.1%	15.6%	13.2%
ROA POC	16.4%	19.0%	20.7%	21.2%	21.1%	14.7%	9.8%	9.2%	10.4%	17.0%	21.2%	20.7%	15.1%	14.6%	10.9%	9.2%
Worldwide Headcount	41,253	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	61,249	65,431

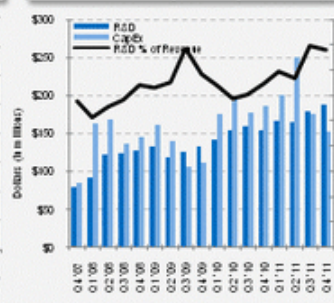
### Business Model

- Gross Margin 18%-23%
- Operating Expense 9%-10%
- Operating Income 8%-14%
- Tax 6%-9% of Income Before Tax
- Capital Expenditures 7%-8%
- Inventory Turns 12-16 Turns
- Conversion Cycle 4-8 Days

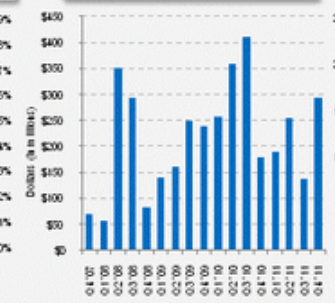
### Gross vs. Net Cash & Cash Equivalents



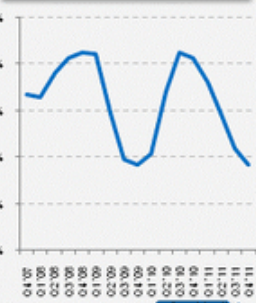
### R&D and Capital Expenditures



### Free Cash Flow



### Return on Assets



## Footnotes

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

**EBITDA** = Net income + Interest Expense + Income Tax Expense + Depreciation and Amortization

**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** = R4Q (Net Income from Continuing Operations + Interest Expense) / R4Q Average (Equity + Debt)

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



## Non-GAAP Financial Measures

**Free Cash Flow:** Free cash flow is a non-GAAP financial measure defined as cash flows from operations less capital expenditures. 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 and repurchasing stock. We also believe that free cash flow is one of several benchmarks used by investors for comparison of our liquidity with other companies in our industry, although our measure of free cash flow may not be directly comparable to similar measures reported by other companies. Free cash flow should not be construed as an alternative to cash flows from operations or other cash flow measurements determined in accordance with GAAP.

**EBITDA:** EBITDA is a non-GAAP financial measure defined as net income before interest, income tax expense, depreciation and amortization. We include information concerning EBITDA because we believe it is a useful measure to evaluate our operating performance. As a measure of our operating performance, we believe EBITDA provides a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. While EBITDA is a relevant and widely used measure of operating performance, it does not represent net income as defined by GAAP and it should not be considered as an alternative to that measure in evaluating operating performance.

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	FY09	FY09	FY09	FY09	FY09	FY09	FY09	FY09	FY10	FY10	FY10	FY10	FY11	FY11	FY11	FY11
<b>Reconciliation of Cash Flows from Operations to Free Cash Flow</b>																
Cash Flows from Operations	\$219	\$519	\$431	\$229	\$301	\$300	\$305	\$349	\$434	\$557	\$588	\$363	\$390	\$505	\$313	\$447
Capital Expenditures	(163)	(189)	(137)	(146)	(162)	(140)	(106)	(111)	(176)	(199)	(177)	(185)	(200)	(250)	(175)	(153)
Free Cash Flow	\$56	\$330	\$294	\$83	\$139	\$160	\$209	\$238	\$258	\$358	\$411	\$178	\$190	\$255	\$138	\$294
<b>Reconciliation of Net Income to EBITDA</b>																
Net Income	\$69	\$305	\$280	\$213	\$211	\$14	\$50	\$196	\$288	\$429	\$400	\$265	\$197	\$225	\$146	\$158
Interest Expense	(3)	16	8	4	4	9	3	2	2	2	1	1	-	1	(1)	2
Income Tax Expense	69	11	10	24	19	(7)	8	11	29	42	40	27	14	14	13	12
Depreciation and Amortization	78	111	111	113	117	122	119	122	121	128	128	124	150	151	151	150
EBITDA	\$213	\$443	\$509	\$354	\$351	\$138	\$180	\$331	\$440	\$599	\$599	\$427	\$361	\$391	\$309	\$322