
**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 25, 2012

Western Digital Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

001-08703
(Commission
File Number)

33-0956711
(I.R.S. Employer
Identification No.)

3355 Michelson Drive, Suite 100
Irvine, California
(Address of Principal Executive Offices)

92612
(Zip Code)

(949) 672-7000
(Registrant's Telephone Number, Including Area Code)

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 240.425)
 - 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 25, 2012, Western Digital Corporation (“Western Digital”) announced financial results for the fourth fiscal quarter and fiscal year ended June 29, 2012. 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 quarter ended June 29, 2012 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 June 29, 2012. These non-GAAP measures exclude expenses related to Western Digital’s acquisition of Hitachi Global Storage Technologies; costs recognized upon the sale of inventory that was written-up to fair value and amortization of intangibles related to the acquisition; expenses related to the flooding in Thailand; litigation accruals; restructuring charges; and tax effects related to the aforementioned items. Because management believes these expenses and gains 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 25, 2012 announcing financial results for the fourth fiscal quarter and fiscal year ended June 29, 2012.
- 99.2 Fourth Quarter Fiscal Year 2012 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)

Date: July 25, 2012

By: _____ /s/ Michael C. Ray
Michael C. Ray
Senior Vice President, General Counsel
and Secretary

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FOR IMMEDIATE RELEASE:

WESTERN DIGITAL® ANNOUNCES RECORD FINANCIAL RESULTS
Full Year Revenue Grew 31 Percent; Earnings More Than Doubled

IRVINE, Calif. — Jul. 25, 2012 — Western Digital® Corp. (NASDAQ: WDC) today reported revenue of \$12.5 billion and net income of \$1.6 billion, or \$6.58 per share for fiscal year 2012, compared to fiscal 2011 revenue of \$9.5 billion and net income of \$726 million, or \$3.09 per share. On a non-GAAP basis, fiscal 2012 net income was \$2.1 billion or \$8.61 per share, compared to fiscal 2011 net income of \$770 million or \$3.28 per share.¹ Both the GAAP and non-GAAP fiscal 2012 results include results from the company's newly acquired HGST subsidiary from the acquisition date of March 8 through the end of fiscal 2012.

For its fourth fiscal quarter ended June 29, 2012, the company reported revenue of \$4.8 billion, hard-drive shipments of 71.0 million and net income of \$745 million, or \$2.87 per share. On a non-GAAP basis, net income was \$872 million, or \$3.35 per share.² In the year-ago quarter, the company reported revenue of \$2.4 billion, net income of \$158 million, or \$0.67 per share, and shipped 53.8 million hard drives. Non-GAAP net income in the year-ago quarter was \$193 million, or \$0.81 per share.³

The company generated \$1.1 billion in cash from operations during the June quarter, ending with total cash and cash equivalents of \$3.2 billion. During the quarter, the company repaid \$558 million of debt and spent \$604 million to buy back over 16 million shares of common stock.

“Fiscal 2012 was one of the most challenging and exciting years in our 42-year history,” said John Coyne, chief executive officer. “While responding to two major natural disasters and completing the largest acquisition in the history of the industry, we achieved year-over-year revenue growth of 31 percent and more than doubled earnings per share.

“In the June quarter, demand was in line with our forecast as industry shipments reached 157 million units, bringing total HDD shipments for the year to 599 million units. Our WD and HGST subsidiaries both performed ahead of plan in Q4, delivering great products with consistent execution, resulting in strong revenue growth, gross margin and cash flows.”

The investment community conference call to discuss these results and the company’s September quarter and fiscal year 2013 outlook 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 investor.wdc.com. The telephone replay number is 800-274-1341 in the U.S. or +1-203-369-3636 for international callers.

About Western Digital

Western Digital, a storage industry pioneer and long-time leader, 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 storage technologies serve a wide range of host applications including client and enterprise computing, embedded systems and consumer electronics, as well as its own storage systems. Its home entertainment products enable rich engagement with stored digital content.

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

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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 fiscal 2012 consists of GAAP net income of \$1.6 billion plus \$214 million of charges and expenses related to the flooding net of recoveries, \$91 million for costs recognized upon the sale of acquired inventory that was written-up to fair value, \$80 million related to restructuring, \$63 million for amortization of intangibles related to the acquisition, \$62 million of acquisition-related expenses, \$7 million of litigation accruals, less \$20 million of tax effects related to the aforementioned items. Non-GAAP earnings per share of \$8.61 for fiscal 2012 is calculated by using the same 245 million diluted shares as is used for GAAP earnings per share. Non-GAAP net income for fiscal 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 \$3.28 for fiscal 2011 is calculated by using the same 235 million diluted shares as is used for GAAP earnings per share.
- ² Non-GAAP net income for the fourth quarter fiscal 2012 consists of GAAP net income of \$745 million plus \$51 million for amortization of intangibles related to the acquisition, \$80 million related to restructuring less a \$4 million tax effect related to the restructuring. Non-GAAP earnings per share of \$3.35 for the fourth quarter is calculated by using the same 260 million diluted shares as is used for GAAP earnings per share.
- ³ Non-GAAP net income for the fourth quarter fiscal 2011 consists of GAAP net income of \$158 million plus \$35 million of acquisition-related expenses and unrelated litigation accruals. Non-GAAP earnings per share of \$0.81 for the fourth quarter is calculated by using the same 237 million diluted shares as is used for GAAP earnings per share.

WESTERN DIGITAL CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions; unaudited)

	<u>Jun. 29,</u> <u>2012</u>	<u>Jul. 1,</u> <u>2011</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,208	\$3,490
Accounts receivable, net	2,364	1,206
Inventories	1,210	577
Other	<u>359</u>	<u>214</u>
Total current assets	7,141	5,487
Property, plant and equipment, net	4,067	2,224
Goodwill	1,975	151
Other intangible assets, net	799	71
Other assets	<u>224</u>	<u>185</u>
Total assets	<u>\$14,206</u>	<u>\$8,118</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,773	\$1,545
Accrued expenses	858	349
Accrued warranty	171	132
Current portion of long-term debt	<u>230</u>	<u>144</u>
Total current liabilities	4,032	2,170
Long-term debt	1,955	150
Other liabilities	<u>550</u>	<u>310</u>
Total liabilities	6,537	2,630
Total shareholders' equity	<u>7,669</u>	<u>5,488</u>
Total liabilities and shareholders' equity	<u>\$14,206</u>	<u>\$8,118</u>

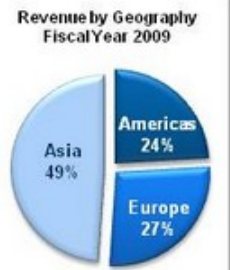
WESTERN DIGITAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share amounts)
(unaudited)

	<u>Three Months Ended</u>		<u>Years Ended</u>	
	<u>Jun. 29, 2012</u>	<u>Jul. 1, 2011</u>	<u>Jun. 29, 2012</u>	<u>Jul. 1, 2011</u>
Revenue, net	\$ 4,754	\$ 2,403	\$12,478	\$9,526
Cost of revenue	3,282	1,934	8,840	7,735
Gross margin	<u>1,472</u>	<u>469</u>	<u>3,638</u>	<u>1,791</u>
Operating expenses:				
Research and development	406	188	1,055	703
Selling, general and administrative	178	109	518	307
Charges related to flooding, net	—	—	214	—
Restructuring	80	—	80	—
Total operating expenses	<u>664</u>	<u>297</u>	<u>1,867</u>	<u>1,010</u>
Operating income	808	172	1,771	781
Net interest and other	<u>(7)</u>	<u>(2)</u>	<u>(14)</u>	<u>(1)</u>
Income before income taxes	801	170	1,757	780
Income tax provision	56	12	145	54
Net income	<u>\$ 745</u>	<u>\$ 158</u>	<u>\$ 1,612</u>	<u>\$ 726</u>
Income per common share:				
Basic	<u>\$ 2.93</u>	<u>\$ 0.68</u>	<u>\$ 6.69</u>	<u>\$ 3.14</u>
Diluted	<u>\$ 2.87</u>	<u>\$ 0.67</u>	<u>\$ 6.58</u>	<u>\$ 3.09</u>
Weighted average shares outstanding:				
Basic	<u>254</u>	<u>233</u>	<u>241</u>	<u>231</u>
Diluted	<u>260</u>	<u>237</u>	<u>245</u>	<u>235</u>

WESTERN DIGITAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions; unaudited)

	<u>Three Months Ended</u>		<u>Years Ended</u>	
	<u>Jun. 29, 2012</u>	<u>Jul. 1, 2011</u>	<u>Jun. 29, 2012</u>	<u>Jul. 1, 2011</u>
Cash flows from operating activities				
Net income	\$ 745	\$ 158	\$ 1,612	\$ 726
Adjustments to reconcile net income to net cash provided by operations:				
Depreciation and amortization	339	150	825	602
Stock-based compensation	31	15	92	69
Deferred income taxes	(8)	16	34	20
Non-cash portion of charges related to flooding	—	—	119	—
Non-cash portion of restructuring	56	—	56	—
Changes in operating assets and liabilities, net	(35)	108	329	238
Net cash provided by operating activities	<u>1,128</u>	<u>447</u>	<u>3,067</u>	<u>1,655</u>
Cash flows from investing activities				
Purchases of property, plant and equipment	(324)	(153)	(717)	(778)
Acquisitions, net of cash acquired	15	(15)	(3,526)	(15)
Proceeds from the sale of equipment	76	—	76	—
Cash used in investing activities	<u>(233)</u>	<u>(168)</u>	<u>(4,167)</u>	<u>(793)</u>
Cash flows from financing activities				
Employee stock plans, net	93	12	141	50
Repurchases of common stock	(604)	—	(604)	(50)
Proceeds from debt, net of issuance costs	—	—	2,775	—
Repayment of assumed debt	—	—	(585)	—
Repayment of debt	(558)	(31)	(908)	(106)
Net cash provided by (used in) financing activities	<u>(1,069)</u>	<u>(19)</u>	<u>819</u>	<u>(106)</u>
Effect of exchange rate changes on cash	5	—	(1)	—
Net increase (decrease) in cash and cash equivalents	(169)	260	(282)	756
Cash and cash equivalents, beginning of period	3,377	3,230	3,490	2,734
Cash and cash equivalents, end of period	<u>\$ 3,208</u>	<u>\$ 3,490</u>	<u>\$ 3,208</u>	<u>\$ 3,490</u>

Amount in millions, except per share amounts, ASP, percentages	FY10				FY11				FY12			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	PY10	PY10	PY10	PY10	PY11	PY11	PY11	PY11	PY12	PY12	PY12	PY12
Share	182.5	182.8	183.1	183.4	182.4	182.4	182.3	182.2	184.0	187.5	189.5	185.8
Share	27.0%	28.6%	28.3%	29.5%	28.9%	30.9%	31.3%	31.8%	30.9%	31.2%	32.5%	32.8%
Units (HDD)	36.4	35.5	31.6	40.0	44.1	49.5	51.1	49.7	50.7	52.2	49.8	53.8
ASP (HDD)	\$53	\$51	\$50	\$48	\$49	\$52	\$51	\$47	\$46	\$45	\$44	\$46
Revenue	\$2,109	\$1,823	\$1,592	\$1,928	\$2,208	\$2,619	\$2,641	\$2,382	\$2,396	\$2,415	\$2,282	\$2,403
Gross Margin %	20.1%	18.9%	18.9%	19.2%	23.3%	26.2%	25.2%	22.5%	18.2%	19.2%	18.2%	19.5%
Gross Margin	\$424	\$350	\$303	\$370	\$514	\$687	\$665	\$535	\$437	\$475	\$410	\$469
Operating Expenses	\$190	\$274	\$192	\$161	\$195	\$214	\$224	\$212	\$226	\$235	\$252	\$239
Operating Income	\$234	\$146	\$111	\$309	\$319	\$473	\$441	\$250	\$211	\$240	\$172	\$229
Net Income	\$211	\$14	\$50	\$195	\$208	\$429	\$400	\$265	\$197	\$225	\$146	\$198
EPS	\$0.93	\$0.06	\$0.22	\$0.96	\$1.25	\$1.85	\$1.71	\$1.13	\$0.84	\$0.96	\$0.62	\$0.81
Diluted Shares Outstanding	226	224	226	227	230	232	234	235	234	235	236	237



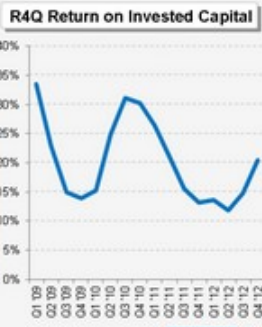
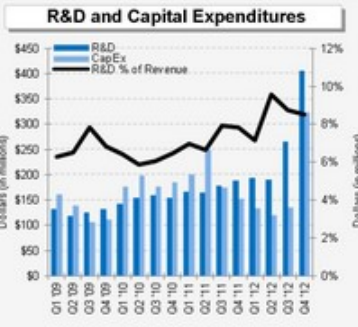
Page 1 Note: Refer to "Non-GAAP Financial Measures" for information about non-GAAP financial measures included in this investor summary



Balance sheet, cash flow, earnings and share repurchase amounts in million	FY10				FY11				FY12			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	PY10	PY10	PY10	PY10	PY11	PY11	PY11	PY11	PY12	PY12	PY12	PY12
Cash and Cash Equivalents	\$1,213	\$1,378	\$1,579	\$1,794	\$2,056	\$2,435	\$2,626	\$2,734	\$2,856	\$3,110	\$3,230	\$3,490
Debt	\$502	\$504	\$502	\$482	\$463	\$444	\$420	\$400	\$378	\$355	\$294	\$283
Net Cash and Cash Equivalents	\$706	\$872	\$1,077	\$1,312	\$1,593	\$1,991	\$2,401	\$2,334	\$2,483	\$2,760	\$2,966	\$3,196
Cash Flow From Operations	\$301	\$300	\$355	\$349	\$434	\$557	\$588	\$363	\$390	\$505	\$313	\$447
Free Cash Flow	\$139	\$160	\$249	\$238	\$258	\$358	\$411	\$178	\$190	\$255	\$138	\$294
Capital Expenditures	\$162	\$140	\$106	\$111	\$176	\$199	\$177	\$185	\$200	\$250	\$175	\$153
Depreciation and Amortization	\$117	\$122	\$119	\$122	\$121	\$126	\$128	\$134	\$150	\$151	\$151	\$150
EBITDA	\$351	\$138	\$180	\$331	\$440	\$599	\$569	\$427	\$361	\$391	\$309	\$322
Accounts Receivable, Net	\$1,082	\$926	\$824	\$826	\$1,131	\$1,365	\$1,257	\$1,296	\$1,325	\$1,250	\$1,171	\$1,206
Inventory	\$129	\$124	\$104	\$97	\$96	\$102	\$115	\$159	\$155	\$141	\$151	\$172
Raw Materials	\$168	\$159	\$152	\$154	\$173	\$212	\$254	\$255	\$266	\$274	\$260	\$263
Work in Process	\$180	\$183	\$129	\$125	\$128	\$139	\$138	\$146	\$140	\$153	\$163	\$142
Finished Goods	\$477	\$446	\$385	\$376	\$395	\$453	\$507	\$560	\$561	\$568	\$574	\$577
Inventory, Net	\$1,674	\$1,620	\$1,570	\$1,584	\$1,625	\$1,696	\$1,756	\$2,159	\$2,245	\$2,277	\$2,249	\$2,224
Property, Plant and Equipment, Net	\$1,215	\$1,075	\$1,001	\$1,101	\$1,342	\$1,507	\$1,508	\$1,507	\$1,703	\$1,628	\$1,486	\$1,545
Accounts Payable	47	46	47	47	47	47	43	48	50	46	47	46
Days Sales Outstanding	26	27	26	24	21	21	23	28	26	26	28	27
Days Inventory Outstanding	66	64	68	69	72	71	69	74	79	74	73	73
Days Payables Outstanding	7	9	5	2	(4)	(3)	(3)	2	(3)	(2)	2	-
Cash Conversion Cycle	14	14	14	15	17	17	16	13	14	14	13	13
Inventory Turns	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Shares Repurchased	\$36	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$1.8	\$-	\$-	\$-
Shares Repurchased \$	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$416	\$416	\$416	\$416
Remaining Amount Authorized	33.5%	22.9%	14.9%	13.9%	15.3%	24.9%	31.2%	30.2%	26.4%	21.1%	15.6%	13.2%
R4Q ROIC	21.1%	14.7%	9.8%	9.2%	10.4%	17.0%	21.2%	20.7%	18.1%	14.6%	10.9%	9.2%
R4Q ROA	50,838	43,898	45,991	52,208	55,128	61,803	62,500	62,817	62,991	61,349	65,431	67,799
Worldwide Headcount	67,121	106,604	103,111	88,883	82,774	82,773						

Business Model
(to be updated on Investor Day)

- 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



Page 2 Note: Refer to "Non-GAAP Financial Measures" for information about non-GAAP financial measures included in this investor summary



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.

Non-GAAP Gross Margin: Non-GAAP gross margin is a non-GAAP measure defined as gross margin before any unusual or non-recurring charges to cost of goods sold. For Q3 FY12, non-GAAP gross margin excludes costs recognized upon the sale of inventory that was written-up to fair value in connection with the HGST acquisition. Because we believe these costs may not be indicative of ongoing operations, we believe that non-GAAP gross margin is a useful measure to investors as an alternative method for measuring our operating performance and comparing it against prior periods' performance.

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	FY09	FY09	FY09	FY09	FY10	FY10	FY10	FY10	FY11	FY11	FY11	FY11	FY12	FY12	FY12	FY12
Reconciliation of Cash Flow from Operations to Free Cash Flow																
Cash Flows from Operations	\$301	\$300	\$355	\$349	\$434	\$557	\$588	\$363	\$390	\$505	\$313	\$447	\$352	\$378	\$1,208	\$1,128
Capital Expenditures	(162)	(140)	(106)	(111)	(176)	(199)	(177)	(185)	(200)	(250)	(125)	(153)	(134)	(120)	(139)	(224)
Free Cash Flow	\$139	\$160	\$249	\$238	\$258	\$358	\$411	\$178	\$190	\$255	\$138	\$294	\$218	\$258	\$1,069	\$904
Reconciliation of Net Income to EBITDA																
Net Income	\$211	\$14	\$50	\$196	\$288	\$429	\$400	\$265	\$197	\$225	\$146	\$158	\$239	\$145	\$483	\$745
Interest Expense	4	9	3	2	2	2	1	1	-	1	(1)	2	1	2	4	7
Income Tax Expense	19	(7)	8	11	29	42	40	27	14	14	13	12	19	15	55	56
Depreciation and Amortization	117	122	119	122	121	126	128	134	150	151	151	150	158	140	188	339
EBITDA	\$351	\$138	\$180	\$331	\$440	\$599	\$569	\$427	\$361	\$391	\$309	\$322	\$417	\$302	\$730	\$1,147
Reconciliation of Gross Margin to Non-GAAP Gross Margin																
Gross Margin	\$424	\$290	\$253	\$370	\$514	\$687	\$665	\$535	\$437	\$475	\$410	\$469	\$541	\$548	\$977	\$1,472
Acquisition-Related Fair Value Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	91	-
Amortization Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9	39
Non-GAAP Gross Margin	\$424	\$290	\$253	\$370	\$514	\$687	\$665	\$535	\$437	\$475	\$410	\$469	\$541	\$548	\$1,077	\$1,511



Non-GAAP Financial Measures

Non-GAAP Net Income and non-GAAP EPS: Non-GAAP net income and non-GAAP EPS are non-GAAP measures defined as net income and EPS, respectively, before any unusual or non-recurring charges or any tax impact related to those charges.

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	FY09	FY09	FY09	FY09	FY10	FY10	FY10	FY10	FY11	FY11	FY11	FY11	FY12	FY12	FY12	FY12
Reconciliation of Net Income to Non-GAAP Net Income																
Net Income	\$211	\$14	\$50	\$196	\$288	\$429	\$400	\$265	\$197	\$225	\$146	\$158	\$239	\$145	\$483	\$745
Acquisition-Related Expense	-	-	-	-	-	-	-	-	-	-	10	10	14	14	34	-
Litigation Accruals	-	-	-	-	-	-	-	27	-	-	-	25	7	-	-	-
Charges Related to Flooding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net of Recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	199	15	-
In-Process Research and Development Charge	-	-	14	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition-Related Adjustments to Fair Value of Inventory / Cost of Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	91	-
Amortization of Newly Acquired Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	51
Restructuring	-	113	4	(20)	-	-	-	-	-	-	-	-	-	-	-	80
Tax Impact	-	(4)	-	-	-	-	-	-	-	-	-	-	-	-	(16)	(4)
Non-GAAP Net Income	\$211	\$123	\$68	\$173	\$288	\$429	\$400	\$292	\$197	\$225	\$156	\$193	\$260	\$358	\$619	\$872
EPS	\$0.93	\$0.06	\$0.22	\$0.66	\$1.25	\$1.85	\$1.71	\$1.13	\$0.84	\$0.96	\$0.62	\$0.67	\$1.01	\$0.61	\$1.96	\$2.87
Non-GAAP EPS	\$0.93	\$0.55	\$0.30	\$0.76	\$1.25	\$1.85	\$1.71	\$1.24	\$0.84	\$0.96	\$0.66	\$0.81	\$1.10	\$1.51	\$2.52	\$3.35
Diluted Shares Outstanding	226	224	226	227	230	232	234	235	234	235	236	237	237	237	246	260



Footnotes

- 1.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
- 4.Consumer Electronics includes gaming
- 5.Both the GAAP and non-GAAP results include the results of the newly acquired HGST subsidiary from the acquisition date of March 8, 2012

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