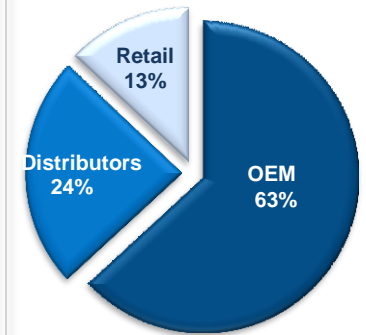
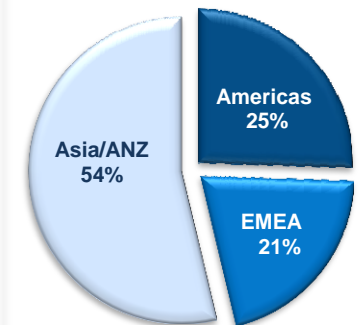


Amounts in millions, except per share amounts, ASP, percentages		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 FY15 <sup>12</sup>	
		FY11	FY11	FY11	FY12	FY12	FY12	FY12	FY13	FY13	FY13	FY13	FY14	FY14	FY14	FY14	FY14	FY15 <sup>9</sup>	Low
TAM		167.5	159.5	165.8	176.3	119.1	146.4	156.7	139.1	135.8	135.9	133.3	140.2	142.2	138.1	138.0	147.2		
HDD Share		31.2%	31.2%	32.5%	32.8%	23.9%	30.2%	45.3%	44.9%	43.6%	44.3%	44.9%	44.7%	44.4%	43.8%	45.7%	44.0%		
Units (HDD) <sup>2</sup>		52.2	49.8	53.8	57.8	28.5	44.2	71.0	62.5	59.2	60.2	59.9	62.6	63.1	60.4	63.1	64.7		
ASP (HDD)		\$47	\$45	\$44	\$46	\$69	\$68	\$65	\$62	\$62	\$61	\$60	\$58	\$60	\$58	\$56	\$58		
Revenue		\$2,475	\$2,252	\$2,403	\$2,694	\$1,995	\$3,035	\$4,754	\$4,035	\$3,824	\$3,764	\$3,728	\$3,804	\$3,972	\$3,703	\$3,651	\$3,943	\$3,750	\$3,850
Gross Profit		\$475	\$410	\$469	\$541	\$648	\$977	\$1,472	\$1,193	\$1,059	\$1,061	\$1,050	\$1,099	\$1,156	\$1,076	\$1,029	\$1,149		
Gross Margin		19.2%	18.2%	19.5%	20.1%	32.5%	32.2%	31.0%	29.6%	27.7%	28.2%	28.2%	28.9%	29.1%	29.1%	28.2%	29.1%		
R&D		\$169	\$179	\$188	\$193	\$191	\$265	\$406	\$396	\$378	\$396	\$402	\$401	\$416	\$418	\$426	\$437		
SG&A		66	63	77	71	85	122	178	179	162	185	180	132	226	201	202	220		
Other		-	10	32	18	210	48	80	26	41	63	689	24	36	38	49	23		
Total Operating Expenses		\$235	\$252	\$297	\$282	\$486	\$435	\$664	\$601	\$581	\$644	\$1,271	\$557	\$678	\$657	\$677	\$680	\$600	\$600
Operating Income (Loss)		\$240	\$158	\$172	\$259	\$162	\$542	\$808	\$592	\$478	\$417	\$(221)	\$542	\$478	\$419	\$352	\$469		
Net Income (Loss)		\$225	\$146	\$158	\$239	\$145	\$483	\$745	\$519	\$335	\$391	\$(265)	\$495	\$430	\$375	\$317	\$423		
EPS		\$0.96	\$0.62	\$0.67	\$1.01	\$0.61	\$1.96	\$2.87	\$2.06	\$1.36	\$1.60	\$(1.12)	\$2.05	\$1.77	\$1.55	\$1.32	\$1.76		
Diluted Shares Outstanding		235	236	237	237	237	246	260	252	246	245	236	242	243	242	241	240	238	238
<b>Non-GAAP Results</b>																			
Gross Profit <sup>10</sup>		\$475	\$410	\$469	\$541	\$648	\$1,077	\$1,511	\$1,231	\$1,097	\$1,099	\$1,085	\$1,135	\$1,196	\$1,115	\$1,078	\$1,188		
Gross Margin <sup>10</sup>		19.2%	18.2%	19.5%	20.1%	32.5%	35.5%	31.8%	30.5%	28.7%	29.2%	29.1%	29.8%	30.1%	30.1%	29.5%	30.1%	30.0%	30.0%
Net Income		\$225	\$156	\$193	\$260	\$358	\$619	\$872	\$594	\$513	\$514	\$477	\$514	\$532	\$470	\$445	\$504		
EPS <sup>6</sup>		\$0.96	\$0.66	\$0.81	\$1.10	\$1.51	\$2.52	\$3.35	\$2.36	\$2.09	\$2.10	\$1.96	\$2.12	\$2.19	\$1.94	\$1.85	\$2.10	\$2.00	\$2.10
<b>Revenue By Channel</b>																			
OEM		45%	47%	55%	53%	59%	64%	69%	63%	61%	60%	66%	64%	62%	62%	65%	63%		
Distributors		33%	33%	29%	29%	25%	28%	21%	24%	24%	26%	23%	24%	24%	25%	23%	24%		
Retail		22%	20%	16%	18%	16%	8%	10%	13%	15%	14%	11%	12%	14%	13%	12%	13%		
<b>Revenue by Geography</b>																			
Americas		22%	22%	20%	19%	22%	21%	27%	23%	27%	27%	28%	26%	25%	25%	24%	27%		
EMEA		25%	24%	20%	22%	21%	18%	18%	18%	23%	22%	19%	20%	23%	21%	20%	21%		
Asia/ANZ		53%	54%	60%	59%	57%	61%	55%	59%	50%	51%	53%	54%	52%	54%	56%	52%		
Top 10 Customers Revenue		48%	49%	53%	49%	51%	53%	53%	44%	45%	45%	48%	48%	42%	44%	45%	45%		
Enterprise SSD Revenue		\$ -	\$ -	\$ -	\$ -	\$ -	\$11	\$54	\$70	\$89	\$92	\$104	\$106	\$155	\$134	\$113	\$156		
<b>PC Units<sup>5</sup></b>																			
Notebook		17.385	16.227	16.867	19.622	9.814	18.067	32.773	25.887	21.300	21.547	23.989	22.912	22.662	21.814	22.899	23.396		
Desktop		20.411	20.118	22.348	21.588	11.391	15.975	21.211	16.819	17.717	18.383	16.185	17.307	16.825	16.635	16.182	16.320		
<b>Non-PC Units</b>																			
Consumer Electronics <sup>4</sup>		4.709	4.765	6.459	7.188	2.352	3.643	4.155	8.019	6.452	6.517	6.544	8.474	8.794	8.573	10.906	10.485		
Branded		7.427	6.404	5.672	7.060	3.191	2.926	4.986	5.767	7.139	6.517	5.281	6.146	7.018	6.272	6.012	6.780		
Enterprise		2.284	2.318	2.463	2.369	1.724	3.616	7.913	5.988	6.633	7.211	7.897	7.771	7.783	7.129	7.098	7.763		
Total HDD		52.216	49.832	53.809	57.827	28.472	44.227	71.038	62.480	59.241	60.175	59.896	62.610	63.082	60.423	63.097	64.744		
Average GB Shipped		581	578	608	634	578	581	668	708	804	805	797	811	874	888	875	1,002		
EB Shipped		30.3	28.8	32.7	36.7	16.5	25.7	47.4	44.3	47.6	48.4	47.7	50.8	55.1	53.6	55.2	64.9		
R4Q EB Shipped		102.5	107.7	117.8	128.5	114.6	111.5	126.3	133.9	165.1	187.8	188.0	194.5	202.0	207.2	214.7	228.8		

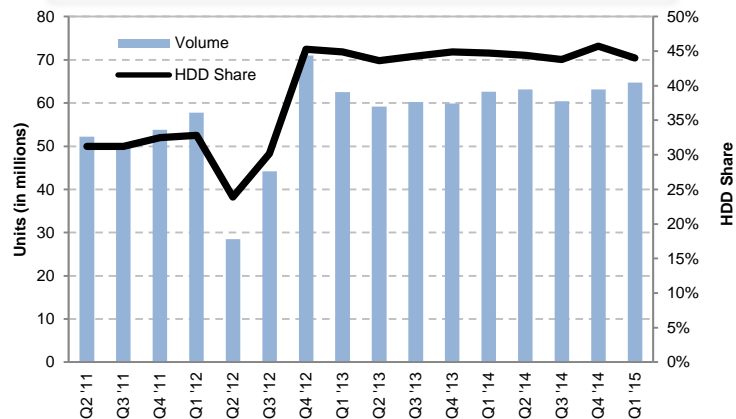
Revenue by Channel  
R4Q Ending  
Q1 FY15



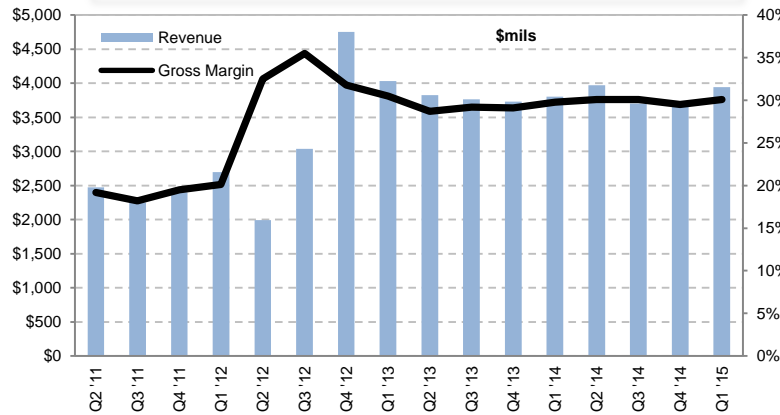
Revenue by Geography  
R4Q Ending  
Q1 FY15



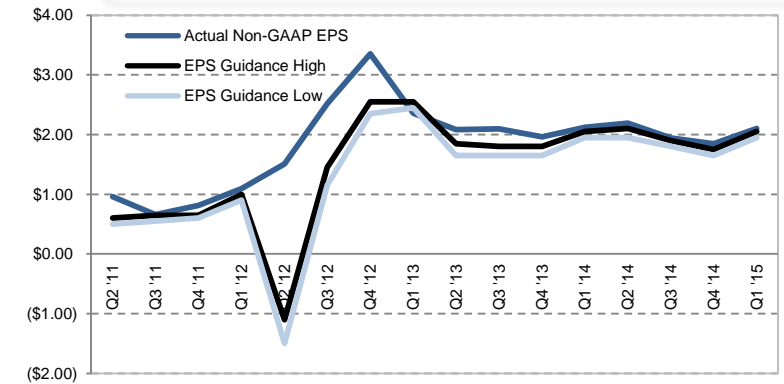
Volume and HDD Share<sup>2</sup>



Revenue and Non-GAAP Gross Margin<sup>10</sup>



Non-GAAP EPS Analysis



Note: Refer to "Non-GAAP Financial Measures" for information about non-GAAP financial measures included in this quarterly fact sheet.

Balance sheet, cash flows, earnings, dividends and share repurchase amounts in millions	Q2 FY11	Q3 FY11	Q4 FY11	Q1 FY12	Q2 FY12	Q3 FY12	Q4 FY12	Q1 FY13	Q2 FY13	Q3 FY13	Q4 FY13	Q1 FY14	Q2 FY14	Q3 FY14	Q4 FY14	Q1 FY15
Cash and Cash Equivalents	\$3,110	\$3,230	\$3,490	\$3,675	\$3,924	\$3,377	\$3,208	\$3,537	\$3,816	\$4,060	\$4,309	\$4,869	\$4,655	\$4,569	\$4,804	\$5,159
Available-for-Sale (AFS) Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	470	499	454
Debt	(350)	(325)	(294)	(263)	(231)	(2,743)	(2,185)	(2,128)	(2,128)	(2,013)	(1,955)	(2,398)	(2,340)	(2,469)	(2,438)	(2,406)
<b>Net Cash, Cash Equivalents &amp; AFS Securities</b>	<b>\$2,760</b>	<b>\$2,905</b>	<b>\$3,196</b>	<b>\$3,412</b>	<b>\$3,693</b>	<b>\$634</b>	<b>\$1,023</b>	<b>\$1,409</b>	<b>\$1,688</b>	<b>\$2,047</b>	<b>\$2,354</b>	<b>\$2,471</b>	<b>\$2,315</b>	<b>\$2,570</b>	<b>\$2,865</b>	<b>\$3,207</b>
Cash Flow From Operations	\$505	\$313	\$447	\$352	\$378	\$1,208	\$1,128	\$936	\$772	\$727	\$684	\$680	\$727	\$697	\$713	\$827
Free Cash Flow	\$255	\$138	\$294	\$218	\$258	\$1,069	\$804	\$554	\$526	\$539	\$548	\$544	\$557	\$536	\$552	\$667
Capital Expenditures	\$250	\$175	\$153	\$134	\$120	\$139	\$324	\$382	\$246	\$188	\$136	\$136	\$170	\$161	\$161	\$160
Depreciation and Amortization	\$151	\$151	\$150	\$158	\$140	\$188	\$339	\$313	\$309	\$309	\$302	\$312	\$317	\$307	\$308	\$289
EBITDA	\$391	\$309	\$322	\$417	\$302	\$730	\$1,147	\$905	\$787	\$726	\$81	\$854	\$795	\$726	\$660	\$758
Accounts Receivable, Net	\$1,250	\$1,171	\$1,206	\$1,356	\$747	\$2,377	\$2,364	\$1,951	\$1,732	\$1,700	\$1,793	\$1,791	\$1,959	\$1,802	\$1,989	\$1,915
Raw Materials	\$141	\$151	\$172	\$170	\$191	\$329	\$245	\$237	\$193	\$191	\$167	\$208	\$201	\$204	\$168	\$178
Work in Process	274	260	263	275	185	667	552	559	581	583	575	579	581	519	493	509
Finished Goods	153	163	142	200	90	286	413	508	430	423	446	457	511	554	565	585
Total Inventory	\$568	\$574	\$577	\$645	\$466	\$1,282	\$1,210	\$1,304	\$1,204	\$1,197	\$1,188	\$1,244	\$1,293	\$1,277	\$1,226	\$1,272
Property, Plant and Equipment, Net	\$2,277	\$2,249	\$2,224	\$2,209	\$2,091	\$4,171	\$4,067	\$4,027	\$3,938	\$3,803	\$3,700	\$3,638	\$3,509	\$3,406	\$3,293	\$3,202
Accounts Payable	\$1,628	\$1,486	\$1,545	\$1,708	\$883	\$2,774	\$2,773	\$2,545	\$2,185	\$2,037	\$1,990	\$2,061	\$2,106	\$1,902	\$1,971	\$2,016
Days Sales Outstanding <sup>11</sup>	46	47	46	46	34	71	45	44	41	41	44	43	45	44	50	48
Days Inventory Outstanding <sup>11</sup>	26	28	27	27	31	57	34	42	40	40	40	42	42	44	42	45
Days Payables Outstanding <sup>11</sup>	74	73	73	72	60	123	77	82	72	69	67	69	68	65	68	71
Cash Conversion Cycle <sup>11</sup>	(2)	2	-	1	5	5	2	4	9	12	17	16	19	23	24	22
Inventory Turns <sup>11</sup>	14	13	13	13	12	6	11	9	9	9	9	9	9	8	9	8
Dividends Paid	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$121	\$-	\$60	\$59	\$59	\$71	\$70	\$94
Shares Repurchased	-	-	-	-	-	-	16.4	5.2	4.2	5.2	4.4	2.3	2.0	2.8	3.2	2.2
Shares Repurchased	\$-	\$-	\$-	\$-	\$-	\$-	\$604	\$218	\$146	\$243	\$235	\$150	\$150	\$244	\$272	\$223
Remaining Amount Authorized	\$416	\$416	\$416	\$416	\$416	\$416	\$1,312	\$2,594	\$2,448	\$2,205	\$1,970	\$1,820	\$1,670	\$1,426	\$1,154	\$931
R4Q Economic Profit <sup>8</sup>	\$484	\$213	\$92	\$113	\$15	\$(83)	\$542	\$801	\$976	\$884	\$(59)	\$(176)	\$(109)	\$(158)	\$415	\$332
R4Q ROIC <sup>8</sup>	21.1%	15.6%	13.2%	13.6%	11.9%	14.8%	20.4%	21.3%	21.0%	20.0%	10.1%	9.7%	10.5%	10.2%	15.1%	14.2%
R4Q ROA <sup>8</sup>	14.6%	10.9%	9.2%	9.5%	8.5%	10.5%	14.3%	14.9%	14.7%	14.2%	7.0%	6.7%	7.2%	7.0%	10.6%	10.0%
Worldwide Headcount <sup>3</sup>	62,991	61,349	65,431	67,799	67,121	106,604	103,111	96,002	93,820	87,565	85,777	87,586	87,976	84,556	84,072	83,277

## Business Model (Non-GAAP)

Gross Margin\*  
27%-32%

Operating Expense\*  
10%-12%

Operating Income\*  
15%-22%

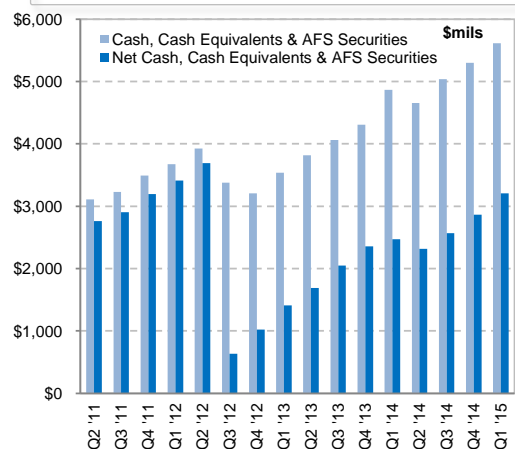
Tax  
7%-10% of Income Before Tax

Capital Expenditures\*  
5%-7%

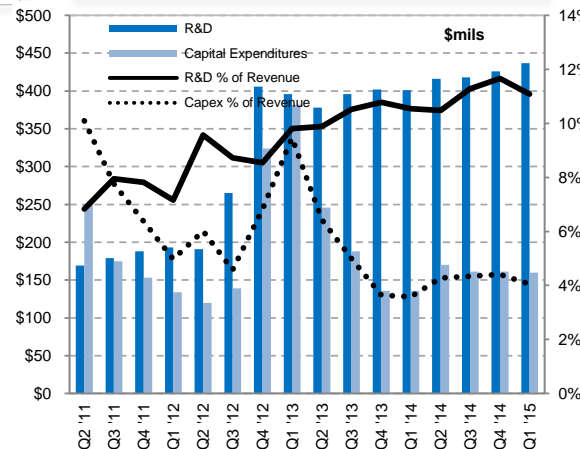
Conversion Cycle  
4-8 Days

\*Percent of Revenue

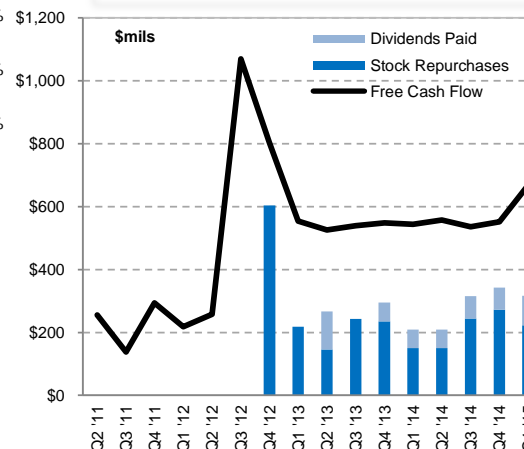
### Gross vs. Net Cash, Cash Equivalents & AFS Securities



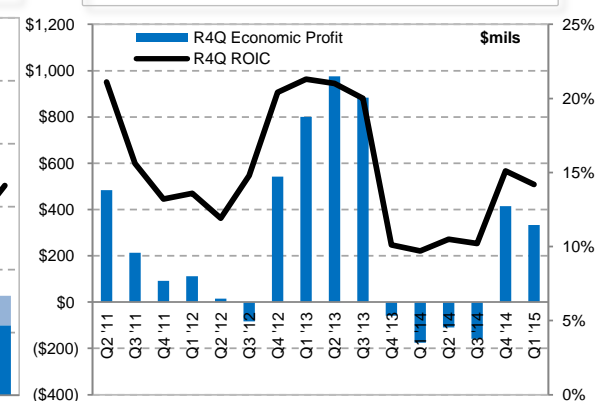
### R&D<sup>10</sup> and Capital Expenditures



### Free Cash Flow



### R4Q ROIC & R4Q Economic Profit<sup>8</sup>



Note: Refer to "Non-GAAP Financial Measures" for information about non-GAAP financial measures included in this quarterly fact sheet.

## 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, paying dividends 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 and Non-GAAP Gross Profit:** Non-GAAP gross margin is a non-GAAP measure defined as non-GAAP gross profit divided by revenue. Non-GAAP gross profit is a non-GAAP measure defined as gross profit before any charges to cost of goods sold that are unusual, non-recurring, or may not be indicative of ongoing operations. Because we believe some charges may not be indicative of ongoing operations, we believe that non-GAAP gross profit is a useful measure to investors as an alternative method for measuring our operating performance and comparing it against prior periods' performance.

**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 charges that are unusual, non-recurring, or may not be indicative of ongoing operations, or any tax impact related to those charges. Because we believe some charges may not be indicative of ongoing operations, we believe that non-GAAP net income and non-GAAP EPS are useful measures to investors as an alternative method for measuring our earnings performance and comparing it against prior periods' performance.

In millions, except gross margin and per share amounts	Q2 FY11	Q3 FY11	Q4 FY11	Q1 FY12	Q2 FY12	Q3 FY12	Q4 FY12	Q1 FY13	Q2 FY13	Q3 FY13	Q4 FY13	Q1 FY14	Q2 FY14	Q3 FY14	Q4 FY14	Q1 FY15
<b>Reconciliation of Cash Flows from Operations to Free Cash Flow</b>																
Cash Flows from Operations	\$505	\$313	\$447	\$352	\$378	\$1,208	\$1,128	\$936	\$772	\$727	\$684	\$680	\$727	\$697	\$713	\$827
Capital Expenditures	(250)	(175)	(153)	(134)	(120)	(139)	(324)	(382)	(246)	(188)	(136)	(136)	(170)	(161)	(161)	(160)
Free Cash Flow	\$255	\$138	\$294	\$218	\$258	\$1,069	\$804	\$554	\$526	\$539	\$548	\$544	\$557	\$536	\$552	\$667
<b>Reconciliation of Net Income to EBITDA</b>																
Net Income (Loss)	\$225	\$146	\$158	\$239	\$145	\$483	\$745	\$519	\$335	\$391	\$(265)	\$495	\$430	\$375	\$317	\$423
Interest	1	(1)	2	1	2	4	7	14	10	11	9	10	11	13	5	9
Income Tax Expense	14	13	12	19	15	55	56	59	133	15	35	37	37	31	30	37
Depreciation and Amortization	151	151	150	158	140	188	339	313	309	309	302	312	317	307	308	289
EBITDA	\$391	\$309	\$322	\$417	\$302	\$730	\$1,147	\$905	\$787	\$726	\$81	\$854	\$795	\$726	\$660	\$758
<b>Reconciliation of Gross Margin to Non-GAAP Gross Margin &amp; Gross Profit to Non-GAAP Gross Profit</b>																
Gross Profit <sup>10</sup>	\$475	\$410	\$469	\$541	\$648	\$977	\$1,472	\$1,193	\$1,059	\$1,061	\$1,050	\$1,099	\$1,156	\$1,076	\$1,029	\$1,149
Acquisition-Related Fair Value Adjustments	-	-	-	-	-	91	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	-
Amortization of Intangibles	-	-	-	-	-	9	39	38	38	38	35	36	40	39	39	39
Non-GAAP Gross Profit <sup>10</sup>	\$475	\$410	\$469	\$541	\$648	\$1,077	\$1,511	\$1,231	\$1,097	\$1,099	\$1,085	\$1,135	\$1,196	\$1,115	\$1,078	\$1,188
Revenue	\$2,475	\$2,252	\$2,403	\$2,694	\$1,995	\$3,035	\$4,754	\$4,035	\$3,824	\$3,764	\$3,728	\$3,804	\$3,972	\$3,703	\$3,651	\$3,943
Gross Margin <sup>10</sup>	19.2%	18.2%	19.5%	20.1%	32.5%	32.2%	31.0%	29.6%	27.7%	28.2%	28.2%	28.9%	29.1%	29.1%	28.2%	29.1%
Non-GAAP Gross Margin <sup>10</sup>	19.2%	18.2%	19.5%	20.1%	32.5%	35.5%	31.8%	30.5%	28.7%	29.2%	29.1%	29.8%	30.1%	30.1%	29.5%	30.1%
<b>Reconciliation of Net Income (Loss) to Non-GAAP Net Income</b>																
Net Income (Loss)	\$225	\$146	\$158	\$239	\$145	\$483	\$745	\$519	\$335	\$391	\$(265)	\$495	\$430	\$375	\$317	\$423
Acquisition-Related Expense	-	10	10	14	14	34	-	-	-	-	7	13	-	-	-	-
Litigation	-	-	25	7	-	-	-	-	-	-	681	13	25	13	13	26
Charges Related to Flooding, Net	-	-	-	-	199	15	-	-	-	-	-	-	-	-	-	-
Acquisition-Related Fair Value Adjustments	-	-	-	-	-	91	-	-	-	-	-	-	-	-	-	-
Amortization of Intangibles	-	-	-	-	-	12	51	49	49	49	46	47	51	50	47	46
Restructuring and other	-	-	-	-	-	-	80	26	41	74	8	11	26	28	68	9
Insurance Recovery	-	-	-	-	-	-	-	-	-	-	-	(65)	-	-	-	-
Write-off of debt issuance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	-
Tax Impact	-	-	-	-	-	(16)	(4)	-	88	-	-	-	-	-	-	-
Non-GAAP Net Income	\$225	\$156	\$193	\$260	\$358	\$619	\$872	\$594	\$513	\$514	\$477	\$514	\$532	\$470	\$445	\$504
EPS	\$0.96	\$0.62	\$0.67	\$1.01	\$0.61	\$1.96	\$2.87	\$2.06	\$1.36	\$1.60	\$(1.12)	\$2.05	\$1.77	\$1.55	\$1.32	\$1.76
Non-GAAP EPS	\$0.96	\$0.66	\$0.81	\$1.10	\$1.51	\$2.52	\$3.35	\$2.36	\$2.09	\$2.10	\$1.96	\$2.12	\$2.19	\$1.94	\$1.85	\$2.10
Diluted Shares Outstanding	235	236	237	237	237	246	260	252	246	245	236	242	243	242	241	240
Non-GAAP Diluted Shares Outstanding <sup>6</sup>	235	236	237	237	237	246	260	252	246	245	243	242	243	242	241	240

## Non-GAAP Financial Measures

**Economic Profit:** Economic profit (EP) is a non-GAAP financial measure defined as net operating profit after taxes less the value of invested capital multiplied by the weighted average cost of capital, where net operating profit after taxes is defined as income from operations minus tax expense and invested capital is defined as the sum of current debt, long-term debt and equity. Management uses EP to evaluate business performance and allocate resources, and it is a component in determining management's incentive compensation. Management believes EP provides additional perspective to investors about financial returns generated by the business and represents profit generated over and above the cost of capital used by the business to generate that profit.

In millions	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10	Q1 FY11	Q2 FY11	Q3 FY11	Q4 FY11	Q1 FY12	Q2 FY12	Q3 FY12	Q4 FY12	Q1 FY13	Q2 FY13	Q3 FY13	Q4 FY13	Q1 FY14	Q2 FY14	Q3 FY14	Q4 FY14	Q1 FY15
<b>Reconciliation of Operating Income (Loss) to R4Q Economic Profit</b>																					
Operating Income (Loss)	\$319	\$473	\$441	\$293	\$211	\$240	\$158	\$172	\$259	\$162	\$542	\$808	\$592	\$478	\$417	\$(221)	\$542	\$478	\$419	\$352	\$469
Income Tax Provision	(29)	(42)	(40)	(27)	(14)	(14)	(13)	(12)	(19)	(15)	(55)	(56)	(59)	(133)	(15)	(35)	(37)	(37)	(31)	(30)	(37)
Net Operating Profit After Taxes	290	431	401	266	197	226	145	160	240	147	487	752	533	345	402	(256)	505	441	388	322	432
R4Q Net Operating Profit After Taxes		972	1,320	1,388	1,295	1,090	834	728	771	692	1,034	1,626	1,919	2,117	2,032	1,024	996	1,092	1,078	1,656	1,583
Invested Capital x WACC	(488)	(534)	(562)	(581)	(606)	(621)	(636)	(658)	(677)	(1,117)	(1,084)	(1,084)	(1,118)	(1,141)	(1,148)	(1,083)	(1,172)	(1,201)	(1,236)	(1,241)	(1,251)
R4Q Economic Profit	\$484	\$786	\$826	\$714	\$484	\$213	\$92	\$113	\$15	\$(83)	\$542	\$801	\$976	\$884	\$(59)	\$(176)	\$(109)	\$(158)	\$415	\$332	

## Formulas

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

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

**Free Cash Flow** = Cash Flow from Operations – Capital Expenditures

**EBITDA** = Net Income (Loss) + Interest + 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 Economic Profit** = R4Q Net Operating Profit After Taxes – (Invested Capital x WACC)

- Invested Capital = Short-term debt + Current portion of long-term debt + Long-term debt + Total shareholders' equity
- WACC<sup>7</sup> = 11%

**R4Q ROIC** = R4Q (Operating Income (Loss) + Interest Expense) / R4Q Average (Short-term debt + Current portion of long-term debt + Long-term debt + Total shareholders' equity)

**R4Q ROA** = R4Q Operating Income (Loss) / R4Q Average Total Assets

## Footnotes

- ASP, Revenue by Channel and Revenue by Geography exclude external sales of media/substrates.
- Unit volume excludes WD TV Media Players without hard drives, WD Livewire, SSD and media.
- Worldwide Headcount excludes temporary and contracted employees.
- Consumer Electronics includes gaming.
- PC includes shipments to distributors, second/third tier external HDD manufacturers, and white box manufacturers.
- Q4 FY13 non-GAAP EPS is calculated using the same number of shares used for Q4 FY13 GAAP EPS plus 7 million dilutive shares. Dilutive shares are not included in the Q4 FY13 GAAP EPS calculation as Q4 FY13 resulted in a net loss.
- WACC of 11% is an internal assumption.
- Q2 FY12 includes charges related to the flooding. Q4 FY13 includes charges related to the arbitration award.
- TAM is preliminary and based on internal information.
- Certain FY14 prior quarter amounts have been reclassified from gross profit, R&D and SG&A to the other charges line within operating expenses to conform to the annual presentation of FY14 in Part II, Item 8, Note 18 in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K.
- Q1 FY15 cash conversion cycle calculated using 98 days due to a 14 week quarter. Q1 FY15 inventory turns calculated using 371 days due to a 53 week year.
- Guidance is presented on a non-GAAP basis and excludes insurance proceeds related to the Thailand flooding and expenses related to the acquisition of HGST, VeloBit, sTec, and Virident, including amortization of intangibles. Because the full extent of these expenses and proceeds are not known at this time, we are unable to provide information about, or a reconciliation to, the most directly comparable GAAP financial measures. The impact of these excluded items may cause the estimated non-GAAP financial measures to differ materially.