



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Office of the Secretary
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May 7, 2013

George S. Cary, Esq.
Cleary Gottlieb Steen & Hamilton LLP
2000 Pennsylvania Ave, N.W.
Washington, DC 20006-1801

Re: *In the Matter of Western Digital Corporation*
FTC File No. 111 0122, Docket No. C-4350

Dear Mr. Cary:

In response to Western Digital Corporation's ("WD") request to extend the time period for divestiture by letter to Commission staff dated April 18, 2012, as well as WD's request to modify certain definitions by letters dated June 15, 2012, and March 12, 2013, the Federal Trade Commission has modified the proposed Order in the following manner:

Paragraph I.K.3, the definition of "3.5 Inch HDD Products Business Firewalled Employees," is modified to read: "all employees of Respondent seconded to the Acquirer until May 15, 2015."

Paragraph I.BB.2, the definition of "Employee Access Period," is modified to read: "August 15, 2013."

Paragraph I.VV.1, the definition of "Reserved Capacity," is modified to read: "for 3.5 Inch HDD Products, the capacity of seven (7) fully configured primary Production Lines initially, increasing to ten (10) fully configured Primary Production Lines; *provided, however*, that after the Rolling Manufacturing Asset Transfer Date, Respondent may reduce the number of lines on a rolling basis to enable the transfer of lines."

Paragraph I.XX, the definition of "Rolling Manufacturing Asset Transfer Date," is modified to read: "the date ten (10) fully configured Primary Production Lines are reserved, after which Respondent may reduce the number of lines on a one-for-one basis as additional lines are qualified as provided in the Transition Services Agreement Schedule 2.01 Part D."

Paragraph II.A is modified to read: "Respondent shall divest, license, transfer and/or grant absolutely, and in good faith, the 3.5 Inch HDD Products Business Assets to Toshiba

pursuant to and in accordance with the 3.5 Inch HDD Products Business Divestiture Agreement, the 3.5 Inch HDD Products Patents License, and the 3.5 Inch HDD Products Business Intellectual Property License (which agreements shall not limit or contradict, or be construed to vary from or contradict, the terms of this Order), and each such agreement, if it becomes a Remedial Agreement related to the 3.5 Inch HDD Products Business Assets is incorporated by reference into this Order and made a part hereof, by the earlier of:

1. within five days (5) after Respondent has obtained the prior approval from all Government Entities of the divestiture of the 3.5 Inch HDD Products Business Assets to Toshiba and all related Remedial Agreements; or
2. June 20, 2012;

provided, however, if, at the time the Commission determines to make this Order final, the Commission notifies Respondent that Toshiba is not an acceptable Acquirer of the 3.5 Inch HDD Products Business Assets then Respondent shall immediately rescind the transaction with Toshiba, in whole or in part, as directed by the Commission, and shall divest, license, transfer and/or grant the 3.5 Inch HDD Products Business Assets within six (6) months from date of determination, absolutely and in good faith, at no minimum price, to an Acquirer that receives the prior approval of the Commission, and only in a manner that receives the prior approval of the Commission;

provided further, however, that if Respondent has complied with the terms of this Paragraph before the date on which this Order becomes final, and if, at the time the Commission determines to make this Order final, the Commission notifies Respondent that the manner in which the divestiture was accomplished is not acceptable, the Commission may direct Respondent or appoint the Divestiture Trustee, to effect such modifications to the manner of divestiture to Toshiba (including, but not limited to, entering into additional agreements or arrangements) as the Commission may determine are necessary to satisfy the requirements of this Order.”

All other terms and provisions of the Order remain the same.

This letter also notifies WD that the Federal Trade Commission has approved the changes to the Interim Monitor Agreement by and between ING Financial Markets LLC (“ING”) and WD as requested in WD’s letter to Commission staff dated March 21, 2012. Additionally, the Commission has approved the changes to the Transition Services Agreement, the Contract Manufacturing Agreement, and the Asset Purchase Agreement by and between Toshiba (“Toshiba”) and WD as requested in WD’s letters to Commission staff dated June 15, 2012, and March 12, 2013.

In according its approval and modification, the Commission has relied upon the information submitted and representations made by WD, ING, and Toshiba, and has assumed them to be accurate and complete.

By direction of the Commission, Commissioner Ohlhausen not participating and Commissioner Wright recused.

Donald S. Clark
Secretary

cc.: Jeremy Calsyn, Esq.
Cleary Gottlieb Steen & Hamilton LLP
2000 Pennsylvania Ave, N.W.
Washington, DC 20006-1801

Philip M. Comerford, Jr.
ING Financial Markets LLC
1325 Avenue of the Americas
New York, NY 10019

Martin M. Toto
White & Case LLP
1155 Avenue of the Americas
New York, NY 10036-2787