

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):
January 28, 2002 (January 24, 2002)

WESTERN DIGITAL CORPORATION
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-08703
(Commission
File Number)

33-095-6711
(IRS Employer
Identification No.)

20511 Lake Forest Drive
Lake Forest, California
(Address of Principal Executive Offices)

92630
(Zip Code)

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

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

INFORMATION TO BE INCLUDED IN THE REPORT

ITEM 5. OTHER EVENTS.

On January 24, 2002, Western Digital Corporation issued a press release announcing its financial results for its second quarter of the 2002 fiscal year. For its second quarter, the Company reported revenues of \$575 million and net income of \$9.2 million, or \$.05 per share, before nonrecurring items. The results include an operating profit of approximately \$15.3 million and unit shipments of 7.7 million by the Company's hard drive business. Including non-recurring items, the Company reported net income of \$12.6 million, or \$.07 per share, for its second quarter. Separately, the Company indicated that its previously announced transaction with Fujitsu (Thailand) Company, Ltd. to purchase a 155,000-square foot hard drive and head stack assembly building near Bangkok, Thailand has been completed.

Attached hereto as Exhibit 99.1, 99.2 and 99.3, respectively, are copies of the January 24, 2002 press release, an Investor Information Summary and the Consolidated Statements of Operations with additional financial information for the Company's second quarter of the 2002 fiscal year posted to the Company's website at www.westerndigital.com, all of which are incorporated herein by this reference.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

EXHIBIT	DESCRIPTION
99.1	Press Release dated January 24, 2002, announcing the Company's financial results for its second quarter of the 2002 fiscal year.
99.2	Investor Information Summary.
99.3	Consolidated Statements of Operations.

SIGNATURE

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

Date: January 28, 2002

WESTERN DIGITAL CORPORATION

By: /s/ Michael A. Cornelius

Michael A. Cornelius
Vice President, Law and Administration
and Secretary

Company contacts:
Bob Blair
Western Digital Investor Relations
949.672.7834
robert.blair@wdc.com

Steve Shattuck
Western Digital Public Relations
949.672.7817
steve.shattuck@wdc.com

FOR IMMEDIATE RELEASE:

WESTERN DIGITAL REPORTS SECOND QUARTER PROFIT OF \$.05 PER SHARE
ON REVENUE OF \$575 MILLION, 7.7 MILLION UNITS SHIPPED

HDD BUSINESS GENERATES \$15.3 MILLION OPERATING INCOME
ON 43% SEQUENTIAL UNIT GROWTH

LAKE FOREST, Calif. - Jan. 24, 2002 - Western Digital Corp. (NYSE: WDC) today reported revenue of \$575 million on unit shipments of approximately 7.7 million, and net income before non-recurring items of \$9.2 million, or \$.05 per share for its second fiscal quarter ending December 28, 2001. The Company's hard drive business generated \$15.3 million of operating income in the quarter, compared with \$4.0 million in the first fiscal quarter. Revenue and unit volume levels grew 30% and 43%, respectively, on a sequential basis.

In the year-ago period, the Company reported revenue of \$562 million on unit shipments of approximately 6.1 million, and a net loss before non-recurring items of \$7.0 million, or \$.04 per share. For the current period, non-recurring items included \$3.4 million of net investment gains. For the year-ago period, non-recurring items consisted of \$10.6 million of extraordinary gains from bond redemptions. Including these non-recurring items, the Company reported net income

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of \$12.6 million, or \$.07 per share, for the current period, and \$3.6 million, or \$.02 per share, for the year-ago period.

Matt Massengill, Western Digital chairman and chief executive officer, said: "The second quarter performance marks the fifth consecutive quarter of both profitability and consistently competitive gross margin performance by our hard drive business. We are beginning to meet our goal of growing the business profitably. Our focus, execution and broadened product portfolio enabled us to meet growing demand from all of our PC channels in the December quarter, as well as from the gaming console market for EIDE-class hard drives."

Separately, the Company indicated that its previously-announced transaction with Fujitsu (Thailand) Company Ltd. to purchase a 155,000-square foot hard drive and head stack assembly building near Bangkok, Thailand has been completed. It will be operational in the March quarter.

ABOUT WESTERN DIGITAL

Western Digital, 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's core business produces reliable, high-performance hard drives that keep users' data close-at-hand and secure from loss. Applying its data storage core competencies to emerging markets, Western Digital's new ventures Cameo Technologies, Keen Personal Media and SageTree meet the increasing demand for innovative information management solutions arising from the proliferation of Internet and broadband services.

Western Digital was founded in 1970. The Company's storage products are marketed to leading systems manufacturers and selected resellers under the Western Digital brand name. Visit the Investor section of the Company's Web site (www.westerndigital.com) to access a variety of financial and investor information.

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This release contains forward-looking statements, including statements relating to profitable business growth goals and expected operational status of the Thailand building. The forward-looking statements are based on current management expectations, and actual results may differ materially as a result of several factors, including: levels of operating expense and product cost; supply and demand conditions in the hard drive industry; overall economic conditions; changes in product and customer mix; pricing trends; actions by competitors; the pace of development of new markets; successful entry into new markets by the Company; and other factors discussed in our recent SEC filings, including but not limited to our Form 10-Q for the first quarter of fiscal 2002. We undertake no obligation to update or alter our forward-looking statements to reflect new information or events or for any other reason.

Western Digital is a registered trademark of Western Digital Technologies, Inc. Keen Personal Media and TV4me are trademarks of Keen Personal Media, Inc. SageTree is a registered trademark of SageTree, Inc. Cameo is a registered trademark of Cameo Technologies, Inc. All other brand and product names mentioned herein are the property of their respective companies.

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WESTERN DIGITAL CORPORATION
INVESTOR INFORMATION SUMMARY

Q2 FY2002 (ALL \$ AMOUNTS IN MILLIONS)

	Q2 FY01	Q3 FY01	Q4 FY01	Q1 FY02	Q2 FY02
REVENUE:	\$562	\$512	\$456	\$441	\$575
REVENUE BY CHANNEL:					
OEM	58%	55%	54%	62%	62%
RESELLER	42%	45%	46%	38%	38%
REVENUE BY GEOGRAPHY:					
NORTH AMERICA	57%	60%	60%	56%	54%
EUROPE	31%	26%	25%	30%	38%
ASIA	12%	14%	15%	14%	8%
REVENUE CONCENTRATION:					
10 LARGEST CUSTOMERS	57%	62%	60%	55%	60%
HARD DRIVES UNITS (MILLIONS):	6.1	5.8	5.3	5.4	7.7
WORLDWIDE HEADCOUNT:	8,200	8,005	7,909	7,852	7,819
ASSET MANAGEMENT					
DSOs--AVERAGE	28	23	26	44	35
INVENTORY DETAIL:					
TOTAL					
RAW	\$8	\$8	\$22	\$10	\$4
WIP	\$14	\$12	\$9	\$27	\$13
FINISHED GOODS	\$58	\$66	\$48	\$40	\$79
TOTAL INVENTORY, NET	\$80	\$85	\$79	\$76	\$96
INVENTORY TURNS	25	21	21	20	21

Note: The prior year results have been restated to reflect the adoption of SAB 101 and the reclassification of Connex and SANavigator results as discontinued operations.

WESTERN DIGITAL CORPORATION
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
 (UNAUDITED)

	THREE MONTHS ENDED			SIX MONTHS ENDED	
	DEC. 28, 2001	SEP. 28, 2001	DEC. 29, 2000	DEC. 28, 2001	DEC. 29, 2000
Revenues, net	\$ 574,670	\$ 440,943	\$ 561,570	\$ 1,015,613	\$ 985,936
Costs and expenses:					
Cost of revenues	504,112	384,936	494,029	889,048	892,459
Research and development	31,293	31,541	33,617	62,834	65,618
Selling, general and administrative	29,675	28,636	31,925	58,311	61,448
Total costs and expenses	565,080	445,113	559,571	1,010,193	1,019,525
Operating income (loss)	9,590	(4,170)	1,999	5,420	(33,589)
Net interest and other income (expense)	3,105	156	839	3,261	(793)
Income (loss) from continuing operations	12,695	(4,014)	2,838	8,681	(34,382)
Discontinued operations	--	24,532	(9,827)	24,532	(17,872)
Extraordinary gain (loss) from redemption of debentures	(101)	--	10,576	(101)	21,819
Cumulative effect of change in accounting principle	--	--	--	--	(1,504)
Net income (loss)	<u>\$ 12,594</u>	<u>\$ 20,518</u>	<u>\$ 3,587</u>	<u>\$ 33,112</u>	<u>\$ (31,939)</u>
Diluted income (loss) per common share:					
Income (loss) from continuing operations	\$.07	\$ (.02)	\$.02	\$.05	\$ (.22)
Discontinued operations	--	.13	(.06)	.12	(.11)
Extraordinary gain (loss)	(.00)	--	.06	(.00)	.14
Cumulative effect of change in accounting principle	--	--	--	--	(.01)
	<u>\$.07</u>	<u>\$.11</u>	<u>\$.02</u>	<u>\$.17</u>	<u>\$ (.20)</u>
Common shares used in computing per share amounts:					
Diluted	<u>191,624</u>	<u>186,635</u>	<u>173,171</u>	<u>189,381</u>	<u>159,609</u>

WESTERN DIGITAL CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	(UNAUDITED) DEC. 28, 2001 -----	JUN. 29, 2001 -----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 193,317	\$ 167,582
Accounts receivable, net	222,822	127,767
Inventories	96,441	78,905
Prepaid expenses and other current assets	6,165	11,455
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Total current assets	518,745	385,709
Property and equipment, net	111,467	106,166
Other assets, net	5,437	15,777
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Total assets	\$ 635,649	\$ 507,652
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LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 323,330	\$ 224,544
Accrued expenses	114,585	115,802
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Total current liabilities	437,915	340,346
Other liabilities	37,424	38,629
Convertible debentures	102,404	112,491
Minority interest	9,012	9,383
Shareholders' equity:		
Common stock	1,890	1,863
Additional paid-in capital	595,612	586,660
Accumulated deficit	(548,608)	(581,720)
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Total shareholders' equity	48,894	6,803
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Total liabilities and shareholders' equity	\$ 635,649	\$ 507,652
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