

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](http://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

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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](http://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,<br>2001   | SEP. 28,<br>2001 | DEC. 29,<br>2000 | DEC. 28,<br>2001 | DEC. 29,<br>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<br>debentures ..... | (101)              | --               | 10,576           | (101)            | 21,819             |
| Cumulative effect of change in accounting<br>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<br>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)<br>DEC. 28,<br>2001<br>----- | JUN. 29,<br>2001<br>----- |
|--------------------------------------------------|------------------------------------------|---------------------------|
| <b>ASSETS</b>                                    |                                          |                           |
| 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                    |
|                                                  | -----                                    | -----                     |
| Total current assets .....                       | 518,745                                  | 385,709                   |
| Property and equipment, net .....                | 111,467                                  | 106,166                   |
| Other assets, net .....                          | 5,437                                    | 15,777                    |
|                                                  | -----                                    | -----                     |
| Total assets .....                               | \$ 635,649                               | \$ 507,652                |
|                                                  | =====                                    | =====                     |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>      |                                          |                           |
| Current liabilities:                             |                                          |                           |
| Accounts payable .....                           | \$ 323,330                               | \$ 224,544                |
| Accrued expenses .....                           | 114,585                                  | 115,802                   |
|                                                  | -----                                    | -----                     |
| 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)                 |
|                                                  | -----                                    | -----                     |
| Total shareholders' equity .....                 | 48,894                                   | 6,803                     |
|                                                  | -----                                    | -----                     |
| Total liabilities and shareholders' equity ..... | \$ 635,649                               | \$ 507,652                |
|                                                  | =====                                    | =====                     |