
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 21, 2010

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.)

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

92630
(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 21, 2010, Western Digital Corporation (“Western Digital”) announced financial results for the fourth fiscal quarter and fiscal year ended July 2, 2010. 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 fiscal quarter ended July 2, 2010 is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

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 21, 2010 announcing financial results for the fourth fiscal quarter and fiscal year ended July 2, 2010.
- 99.2 Fourth Quarter Fiscal Year 2010 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)

By: /s/ Raymond M. Bukaty _____

Raymond M. Bukaty
Senior Vice President, Administration,
General Counsel and Secretary

Date: July 21, 2010

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FOR IMMEDIATE RELEASE:

**WD ANNOUNCES Q4 REVENUE OF \$2.4 BILLION AND
NET INCOME OF \$265 MILLION, OR \$1.13 PER SHARE**

***Full-Year Revenue Totals \$9.8 Billion, Up 32 Percent,
Net Income of \$5.93 Per Share, Up 185 Percent***

LAKE FOREST, Calif. — Jul. 21, 2010 — Western Digital Corp. (NYSE: WDC) today reported financial results for its fiscal year 2010 and fourth quarter ended July 2, 2010.

For the quarter, revenue totaled \$2.4 billion, hard drive unit shipments were 49.7 million and net income was \$265 million, or \$1.13 per share. The quarterly results included \$27 million of expense related to litigation settlements. In the year-ago quarter, the company posted revenue of \$1.9 billion, shipped 40.0 million hard drives, and reported net income and earnings per share of \$196 million and \$0.86, respectively. This included \$5 million of income from the resolution of restructuring accruals and an \$18 million gain on the sale of the company's substrate manufacturing facility in Sarawak, Malaysia.

The company generated \$363 million in cash from operations during the June quarter, ending with total cash and cash equivalents of \$2.7 billion. As previously announced, the company

completed the acquisition of the magnetic media sputtering operations of Hoya Corporation during the June quarter for \$233 million in cash.

For fiscal year 2010, the company posted revenue of \$9.8 billion and net income of \$1.4 billion, or \$5.93 per share, compared to revenue of \$7.5 billion and net income of \$470 million, or \$2.08 per share, for the prior year. The 2010 net income included the \$27 million of expense in the fiscal fourth quarter related to litigation settlements. The 2009 net income included a \$14 million in-process research and development charge related to the acquisition of SiliconSystems, Inc., \$112 million of restructuring charges with related tax benefits of \$4 million, and an \$18 million gain on the sale of the company's substrate manufacturing facility.

In fiscal year 2010, WD grew revenue 32 percent and increased its operating income by 194 percent year-on-year.

“Despite softer than anticipated June quarter demand, fiscal year 2010 was another year of significant growth and profitability for Western Digital,” said John Coyne, president and chief executive officer. “The long-term demand for low-cost, high-volume storage driven by the proliferation of data and content-hungry consumer and commercial devices remains strong. With our focus on customer needs, quality, low cost, and high asset efficiency in the highest growth markets, we believe WD is well positioned to continue to generate growth on a sustained and profitable basis.”

The investment community conference call to discuss these results will be broadcast live over the Internet today at 2 p.m. Pacific/5 p.m. Eastern. The call will be accessible live and on an archived basis via the link below:

Audio Webcast: www.westerndigital.com/investor
Click on "Conference Calls"

Telephone Replay: 866-393-2012 (toll free)
+1-203-369-0457 (international)

About WD

WD, 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 designs and produces reliable, high-performance hard drives and solid state drives that keep users' data accessible and secure from loss. Its advanced technologies are configured into applications for client and enterprise computing, embedded systems and consumer electronics, as well as its own consumer storage and media products.

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

This press release contains forward-looking statements concerning demand for digital storage and WD's growth and profitability. The foregoing forward-looking statements are based on WD's current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements, including:

the impact of recent uncertainty and volatility in global economic conditions; supply and demand conditions in the hard drive industry; actions by competitors; unexpected advances in competing technologies; uncertainties related to the development and introduction of products based on new technologies and expansion into new data storage markets; business conditions and growth in the various hard drive markets; pricing trends and fluctuations in average selling prices; changes in the availability and cost of commodity materials and specialized product components that WD does not make internally; and other risks and uncertainties listed in WD's recent Form 10-Q filed with the SEC on Apr. 30, 2010, to which your attention is directed. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, and WD undertakes no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

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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.

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

	<u>Jul. 2, 2010⁽¹⁾</u>	<u>Jul. 3, 2009</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,734	\$ 1,794
Accounts receivable, net	1,256	926
Inventories	560	376
Other	170	134
Total current assets	<u>4,720</u>	<u>3,230</u>
Property and equipment, net	2,159	1,584
Goodwill	146	139
Other intangible assets, net	88	89
Other assets	215	249
Total assets	<u>\$ 7,328</u>	<u>\$ 5,291</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,507	\$ 1,101
Accrued expenses	281	247
Accrued warranty	129	95
Current portion of long-term debt	106	82
Total current liabilities	<u>2,023</u>	<u>1,525</u>
Long-term debt	294	400
Other liabilities	302	174
Total liabilities	<u>2,619</u>	<u>2,099</u>
Shareholders' equity	4,709	3,192
Total liabilities and shareholders' equity	<u>\$ 7,328</u>	<u>\$ 5,291</u>

(1) Includes the purchase price allocation of the company's acquisition of Hoya's magnetic media sputtering operations based on preliminary estimates of fair value and therefore may be adjusted when finalized.

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>Jul. 2, 2010</u>	<u>Jul. 3, 2009</u>	<u>Jul. 2, 2010</u>	<u>Jul. 3, 2009</u>
Revenue, net	\$ 2,382	\$ 1,928	\$ 9,850	\$ 7,453
Cost of revenue	1,847	1,558	7,449	6,116
Gross margin	<u>535</u>	<u>370</u>	<u>2,401</u>	<u>1,337</u>
Operating expenses:				
Research and development	154	132	611	509
Selling, general and administrative	88	52	265	201
Acquired in-process research and development	—	—	—	14
Restructuring and other, net	—	(23)	—	94
Total operating expenses	<u>242</u>	<u>161</u>	<u>876</u>	<u>818</u>
Operating income	293	209	1,525	519
Net interest and other	<u>(1)</u>	<u>(2)</u>	<u>(5)</u>	<u>(18)</u>
Income before income taxes	292	207	1,520	501
Income tax provision	<u>27</u>	<u>11</u>	<u>138</u>	<u>31</u>
Net income	<u>\$ 265</u>	<u>\$ 196</u>	<u>\$ 1,382</u>	<u>\$ 470</u>
Income per common share:				
Basic	<u>\$ 1.15</u>	<u>\$ 0.88</u>	<u>\$ 6.06</u>	<u>\$ 2.12</u>
Diluted	<u>\$ 1.13</u>	<u>\$ 0.86</u>	<u>\$ 5.93</u>	<u>\$ 2.08</u>
Common shares used in computing per share amounts:				
Basic	<u>230</u>	<u>223</u>	<u>228</u>	<u>222</u>
Diluted	<u>235</u>	<u>227</u>	<u>233</u>	<u>226</u>

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

	<u>Three Months Ended</u>		<u>Years Ended</u>	
	<u>Jul. 2, 2010</u>	<u>Jul. 3, 2009</u>	<u>Jul. 2, 2010</u>	<u>Jul. 3, 2009</u>
Cash flows from operating activities				
Net income	\$ 265	\$ 196	\$ 1,382	\$ 470
Adjustments to reconcile net income to net cash provided by operations:				
Depreciation and amortization	134	122	510	479
Stock-based compensation	17	13	60	47
Deferred income taxes	29	31	27	24
Loss on investments	—	—	—	10
Non-cash portion of restructuring and other, net	—	(18)	—	63
Acquired in-process research and development	—	—	—	14
Changes in operating assets and liabilities	(82)	5	(37)	198
Net cash provided by operating activities	<u>363</u>	<u>349</u>	<u>1,942</u>	<u>1,305</u>
Cash flows from investing activities				
Purchases of property and equipment	(185)	(111)	(737)	(519)
Proceeds from sale of property and equipment	—	29	—	29
Acquisitions, net of cash acquired	(253)	(19)	(253)	(63)
Sales and maturities of investments	—	1	4	2
Net cash used in investing activities	<u>(438)</u>	<u>(100)</u>	<u>(986)</u>	<u>(551)</u>
Cash flows from financing activities				
Issuance of stock under employee stock plans, net	24	14	62	23
Increase (decrease) in excess tax benefits from employee stock plans	(16)	(28)	4	(24)
Repurchases of common stock	—	—	—	(36)
Repayment of long-term debt	(25)	(20)	(82)	(27)
Net cash used in financing activities	<u>(17)</u>	<u>(34)</u>	<u>(16)</u>	<u>(64)</u>
Net change in cash and cash equivalents	(92)	215	940	690
Cash and cash equivalents, beginning of period	2,826	1,579	1,794	1,104
Cash and cash equivalents, end of period	<u>\$ 2,734</u>	<u>\$ 1,794</u>	<u>\$ 2,734</u>	<u>\$ 1,794</u>

WESTERN DIGITAL CORPORATION
INVESTOR INFORMATION SUMMARY
Q4 FY2010 (All amounts in millions, except ASPs and headcount)

	Q4 FY09	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10
UNITS¹	40.0	44.1	49.5	51.1	49.7
REVENUE	\$ 1,928	\$ 2,208	\$ 2,619	\$ 2,641	\$ 2,382
AVERAGE SELLING PRICE¹	\$ 48	\$ 49	\$ 52	\$ 51	\$ 47
GROSS MARGIN %	19.2%	23.3%	26.2%	25.2%	22.5%
REVENUE BY CHANNEL					
OEM	54%	52%	48%	49%	54%
DISTRIBUTORS	29%	31%	30%	33%	29%
RETAIL	17%	17%	22%	18%	17%
REVENUE BY GEOGRAPHY					
AMERICAS	24%	22%	25%	24%	25%
EUROPE	22%	22%	25%	24%	21%
ASIA	54%	56%	50%	52%	54%
REVENUE CONCENTRATION					
10 LARGEST CUSTOMERS	52%	56%	55%	51%	52%
WORLDWIDE HEADCOUNT					
	45,991	52,208	55,128	61,803	62,500
CASH RELATED INFORMATION					
CASH FLOW FROM OPERATIONS	\$ 349	\$ 434	\$ 557	\$ 588	\$ 363
CAPITAL EXPENDITURES	\$ 111	\$ 176	\$ 199	\$ 177	\$ 185
DEPRECIATION AND AMORTIZATION	\$ 122	\$ 121	\$ 126	\$ 128	\$ 134
DAYS SALES OUTSTANDING	47	47	47	43	48
DAYS PAYABLES OUTSTANDING	69	72	71	69	74
INVENTORY METRICS					
RAW MATERIALS	\$ 97	\$ 96	\$ 102	\$ 115	\$ 159
WORK IN PROCESS	154	173	212	254	255
FINISHED GOODS	125	126	139	138	146
TOTAL INVENTORY, NET	\$ 376	\$ 395	\$ 453	\$ 507	\$ 560
INVENTORY TURNS	15	17	17	16	13

¹ Based on sales of hard drive units only (excludes SSD, WD TV Media Player, and media/substrates)