

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): October 26, 2000

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

Delaware (State or Other Jurisdiction of Incorporation)	001-08703 (Commission File Number)	95-264-7125 (IRS Employer Identification No.)
---	--	---

8105 Irvine Center Drive Irvine, California (Address of Principal Executive Offices)	92618 (Zip Code)
--	---------------------

Registrant's telephone number, including area code: (949) 932-5000

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

INFORMATION TO BE INCLUDED IN THE REPORT

ITEM 5. OTHER EVENTS.

On October 26, 2000, the Registrant issued a press release announcing its financial results for first quarter fiscal 2001. Attached hereto as Exhibit 99.1 and incorporated by reference herein is a copy of the October 26, 2000 press release.

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

Exhibit -----	Description -----
99.1	Press Release dated October 26, 2000.

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: October 26, 2000

WESTERN DIGITAL CORPORATION

By: /s/ Michael A. Cornelius

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

EXHIBIT INDEX

Exhibit
Number

Document

99.1

Press Release issued October 26, 2000.

WESTERN DIGITAL ANNOUNCES FIRST QUARTER FISCAL 2001 FINANCIAL RESULTS

IRVINE, Calif.--Oct. 26, 2000--Western Digital Corp. (NYSE: WDC) today reported revenue of \$440.2 million and a net loss of \$33.5 million, or \$.23 per share, for its first quarter ended September 29, 2000. The net loss includes an extraordinary gain of \$11.2 million relating to the redemption of some of the Company's debentures for common stock. Excluding the extraordinary gain, the net loss would have been \$44.8 million, or \$.30 per share.

In the year earlier period, Western Digital reported revenue of \$407.0 million and a net loss of \$106.3 million, or \$1.11 per share. The net loss for the year-earlier period includes restructuring charges of \$32.3 million, special charges to cost of sales of \$37.7 million for the September 1999 product recall, and an extraordinary gain of \$90.6 million. Excluding the non-recurring charges and the extraordinary gain, the net loss for the year-earlier period would have been \$126.9 million, or \$1.32 per share.

Matt Massengill, president and chief executive officer, stated: "The first quarter was a challenging one for the desktop drive industry, as it began with low price points and ended with component shortages that constrained our ability to meet total demand. In this environment, we were pleased to deliver bottom line performance in line with expectations. It is also worth noting that our balance sheet improved incrementally in Q1 with a substantial reduction in debt, and growth in working capital. We continue to make good progress in the operations of the core hard drive business while at the same time laying the groundwork to participate in evolving, non-traditional markets for data storage.

"In the current quarter, demand for desktop drives is seasonally strong but the ability to meet total demand will continue to be throttled by the shortage in components," Massengill noted. "Reflecting the supply/demand dynamics, we have raised prices on a number of high-volume capacity points. Although this will strengthen gross margin performance for the quarter, the impact will be tempered by the fact that we are not seeing typical cost reductions from our supply base."

Massengill noted that Western Digital is the only hard drive supplier to have shipped both 7200 RPM and 5400-RPM 20 GB/platter desktop drives in the September quarter. "Our improving position with major PC OEM customers has been the result of consistent execution in time-to-market and quality over the last year," he said, "and our performance on the next generation 20 GB-per-platter platforms solidifies this standing." In the second fiscal quarter, the 20 GB-per-platter family is expected to account for approximately 80% of the Company's mix.

Earlier this month, Western Digital made several announcements that highlighted the implementation of its strategy to participate in evolving, high-growth markets beyond the traditional desktop PC market for hard drives:

- o The announcement of a multi-year contract with Microsoft to supply the new value line-platform WD Protege hard drives for the forthcoming Microsoft Xbox, this industry leader's entry into the video game market. Gartner Group forecasts the video game market will grow to 39 million units by 2002. WD's shipments of the WD Protege drives to Microsoft are expected to commence in June 2001.
- o The launch of Keen Personal Media, a Western Digital company that provides interactive broadband software and services and hardware for television and Internet content management and TV-based electronic commerce.
- o The signing of a joint development agreement with Scientific-Atlanta to develop and license the Keen PM digital video recorder storage management subsystem software to Scientific-Atlanta for use in their set-top boxes. Scientific-Atlanta is a major supplier to cable companies, who reach 70 percent of North American households. There are approximately 69 million cable households in the U.S., according to Nielsen Media Research. Forrester Research predicts that the number of digital set-top boxes will grow to over 28 million by 2004 from the 4 million units that will be installed by the end of this year.

Massengill concluded: "Like other WD new ventures such as Connex and SageTree, Keen PM is in the very early stages of development as a business, but we are very enthused about attacking an expansive broadband market opportunity with value-added software and services-based solutions."

ABOUT WESTERN DIGITAL

One of the data storage industry's longtime leaders, Western Digital Corporation has leveraged its core strengths in becoming a leading Internet solutions company. Western Digital provides services and products to manage, store and communicate both digital content and network intelligence. The Company remains an industry-leading designer and manufacturer of hard drives for desktop computers and home entertainment applications. Through its Connex subsidiary, Western Digital delivers enterprise-class storage functionality for the department and mid-sized business markets, including storage management software, network attached storage and storage area networks. The Company's SageTree subsidiary markets packaged analytical software applications and professional services to help manufacturers manage quality and quality-related business decisions throughout the entire supply chain and product lifecycle. Western Digital's Keen Personal Media subsidiary provides broadband software, services and hardware for interactive television and Internet content management.

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. Its home page can be found at www.westerndigital.com.

FORWARD-LOOKING STATEMENT

This release contains forward-looking statements, including statements relating to demand for desktop drives, component shortages and pricing, improving gross profit margin, product mix and the Company's participation in, and growth in, the market for video game consoles and digital set-top boxes. The forward-looking statements are based on current management expectations, and actual results may differ materially as a result of several factors, including: market acceptance for the Company's products; the Company's ability to execute future production ramps and utilize manufacturing assets efficiently; changes in product and customer mix; pricing trends; actions by competitors; negotiations with MSOs and others; growth of demand for set-top boxes; successful entry into new markets by the Company and its subsidiaries; and other factors discussed in the Company's recent SEC filings. The Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

#

Western Digital and WD Caviar are registered trademarks. WD Protege and WD Performer are trademarks of Western Digital Corporation. Keen PM is a trademark of Keen Personal Media, Inc. All other brand and product names mentioned herein are the property of their respective companies.

WESTERN DIGITAL CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

	THREE MONTHS ENDED		
	SEPT. 29, 2000	JUN. 30, 2000	OCT. 2, 1999
Revenues, net	\$ 440,222	\$ 473,862	\$ 406,957
Costs and expenses:			
Cost of revenues	414,493	432,275	472,300
Research and development	34,961	35,202	50,143
Selling, general and administrative	33,899	21,461	43,822
Restructuring charges	--	--	32,300
Total costs and expenses	483,353	488,938	598,565
Operating loss	(43,131)	(15,076)	(191,608)
Net interest and other income (expense)	(1,632)	(259)	(5,329)
Loss before income taxes and extraordinary item	(44,763)	(15,335)	(196,937)
Income tax benefit	--	19,500	--
Income (loss) before extraordinary item	(44,763)	4,165	(196,937)
Extraordinary gain from redemption of debentures	11,243	--	90,622
Net income (loss)	\$ (33,520)	\$ 4,165	\$ (106,315)
Basic and diluted income (loss) per common share:			
Basic before extraordinary item:	\$ (.30)	\$.03	\$ (2.05)
Extraordinary gain	\$.07	\$ --	\$.94
Basic	\$ (.23)	\$.03	\$ (1.11)
Diluted	\$ (.23)	\$.03	\$ (1.11)
Common shares used in computing per share amounts:			
Basic	148,044	139,547	95,918
Diluted	148,044	143,337	95,918

WESTERN DIGITAL CORPORATION
 CONSOLIDATED BALANCE SHEETS
 (in thousands, except per share amounts)
 (unaudited)

	SEP. 29, 2000 -----	JUN. 30, 2000 -----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 166,949	\$ 184,021
Accounts receivable, net	146,318	149,135
Inventories	60,027	84,546
Prepaid expenses and other current assets	25,567	33,693
	-----	-----
Total current assets	398,861	451,395
Property and equipment, net	100,102	98,952
Intangible and other assets, net	63,764	65,227
	-----	-----
Total assets	\$ 562,727 =====	\$ 615,574 =====
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 236,471	\$ 266,841
Accrued expenses	144,448	178,225
	-----	-----
Total current liabilities	380,919	445,066
Other liabilities	46,844	44,846
Convertible Debentures	178,512	225,496
Minority interest	9,644	10,000
Shareholders' deficit:		
Common stock, \$.01 par value	1,596	1,436
Additional paid-in capital	461,589	371,587
Accumulated deficit	(516,377)	(482,857)
	-----	-----
Total shareholders' deficit	(53,192)	(109,834)
	-----	-----
Total liabilities and shareholders' deficit	\$ 562,727 =====	\$ 615,574 =====