
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 19, 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 October 19, 2010, Western Digital Corporation (“Western Digital”) announced financial results for the first fiscal quarter ended October 1, 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 first quarter ended October 1, 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 October 19, 2010 announcing financial results for the first fiscal quarter ended October 1, 2010.

99.2 First Quarter Fiscal Year 2011 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/ Michael C. Ray _____

Michael C. Ray
Vice President,
General Counsel and Secretary

Date: October 19, 2010

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FOR IMMEDIATE RELEASE:

**WD ANNOUNCES Q1 REVENUE OF \$2.4 BILLION AND
NET INCOME OF \$197 MILLION, OR \$0.84 PER SHARE**

***Revenue Up 9 Percent, Hard Drive Shipments Up 15 Percent, From Year-ago Quarter,
\$390 Million Cash Generated from Operations***

LAKE FOREST, Calif. — Oct. 19, 2010 — Western Digital Corp. (NYSE: WDC) today reported revenue of \$2.4 billion, hard-drive unit shipments of 50.7 million and net income of \$197 million, or \$0.84 per share for its first fiscal quarter ended Oct. 1, 2010. In the year-ago quarter, the company reported revenue of \$2.2 billion, shipped 44.1 million hard drives, and reported net income and earnings per share of \$288 million and \$1.25, respectively.

“In a quarter characterized by aggressive industry pricing, we remained solidly profitable, grew revenues and unit shipments year-over-year, and generated \$390 million in cash from operations,” said John Coyne, president and chief executive officer. “Our low-cost business model and strong balance sheet enable us to weather the seasonality and cycles of the hard drive industry such as we experienced during the last two quarters.

“We will continue to focus on quality, reliability, availability and profitable growth to maintain our industry leadership,” said Coyne. “We remain excited about the

significant opportunities being created by the unabated growth in digital content in the home and workplace.”

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. The company is publishing an expanded investor summary sheet today on the investor relations section of its website. After the conclusion of today’s webcasted conference call, the summary sheet will be updated to reflect the company’s guidance.

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

Telephone Replay: 800-455-0163 (toll free)
+1-203-369-3804 (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 website (www.westerndigital.com) to access a variety of financial and investor information.

This press release contains forward-looking statements concerning WD's industry leadership and growth opportunities. 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 continued 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-K filed with the SEC on Aug. 13, 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>Oct. 1, 2010</u>	<u>Jul. 2, 2010</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,858	\$ 2,734
Accounts receivable, net	1,325	1,256
Inventories	561	560
Other	195	170
Total current assets	<u>4,939</u>	<u>4,720</u>
Property and equipment, net	2,245	2,159
Goodwill	150	146
Other intangible assets, net	83	88
Other assets	216	215
Total assets	<u>\$ 7,633</u>	<u>\$ 7,328</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,703	\$ 1,507
Accrued expenses	227	281
Accrued warranty	131	129
Current portion of long-term debt	113	106
Total current liabilities	<u>2,174</u>	<u>2,023</u>
Long-term debt	262	294
Other liabilities	308	302
Total liabilities	<u>2,744</u>	<u>2,619</u>
Shareholders' equity	4,889	4,709
Total liabilities and shareholders' equity	<u>\$ 7,633</u>	<u>\$ 7,328</u>

WESTERN DIGITAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share amounts)
(unaudited)

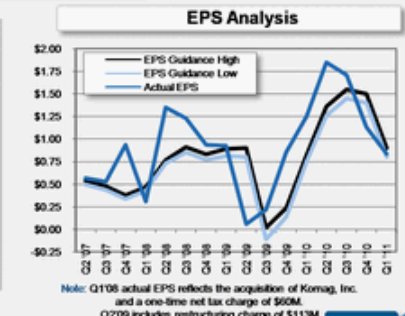
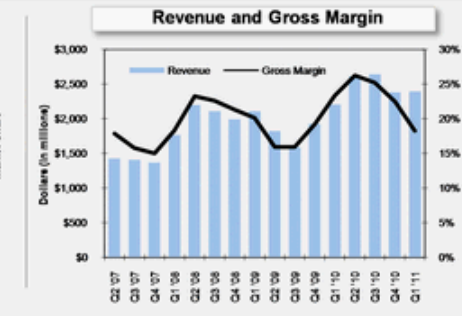
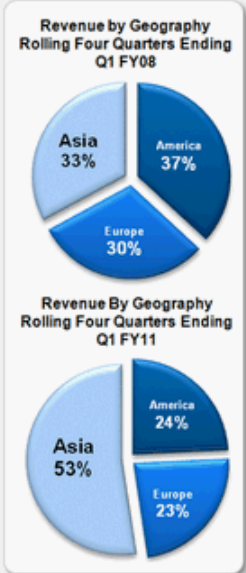
	Three Months Ended	
	Oct. 1, 2010	Oct. 2, 2009
Revenue, net	\$ 2,396	\$ 2,208
Cost of revenue	1,959	1,694
Gross margin	437	514
Operating expenses:		
Research and development	167	142
Selling, general and administrative	59	53
Total operating expenses	226	195
Operating income	211	319
Net interest and other	—	(2)
Income before income taxes	211	317
Income tax provision	14	29
Net income	\$ 197	\$ 288
Income per common share:		
Basic	\$ 0.86	\$ 1.28
Diluted	\$ 0.84	\$ 1.25
Weighted average shares outstanding:		
Basic	230	225
Diluted	234	230

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

	Three Months Ended	
	Oct. 1, 2010	Oct. 2, 2009
Cash flows from operating activities		
Net income	\$ 197	\$ 288
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization	150	121
Stock-based compensation	19	13
Changes in operating assets and liabilities	24	12
Net cash provided by operating activities	<u>390</u>	<u>434</u>
Cash flows from investing activities		
Purchases of property and equipment	(200)	(176)
Net cash used in investing activities	<u>(200)</u>	<u>(176)</u>
Cash flows from financing activities		
Employee stock plans, net	(2)	14
Excess tax benefits from employee stock plans	11	9
Repurchases of common stock	(50)	—
Repayment of long-term debt	(25)	(19)
Net cash provided by (used in) financing activities	<u>(66)</u>	<u>4</u>
Net change in cash and cash equivalents	124	262
Cash and cash equivalents, beginning of period	2,734	1,794
Cash and cash equivalents, end of period	<u>\$ 2,858</u>	<u>\$ 2,056</u>

	FY07				FY08				FY09				FY10				FY11
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Amounts in millions, except per share amounts.																	
TAM	115.0	118.8	113.0	111.8	133.6	143.7	131.6	131.9	145.8	123.8	111.4	135.4	132.4	160.4	163.3	156.2	164.6
Share	19.8%	20.7%	21.7%	22.3%	22.0%	23.9%	26.3%	26.7%	27.0%	28.6%	28.3%	29.5%	28.9%	30.9%	31.3%	31.8%	30.8%
Volume (HDD)	22.7	24.5	24.5	24.9	29.4	34.2	34.5	35.2	39.4	35.5	31.6	40.0	44.1	49.5	51.1	49.7	50.7
ASP	\$56	\$58	\$58	\$55	\$59	\$61	\$59	\$56	\$53	\$51	\$50	\$48	\$49	\$52	\$51	\$47	\$46
Revenue	\$1,264	\$1,428	\$1,410	\$1,367	\$1,766	\$2,204	\$2,111	\$1,993	\$2,109	\$1,823	\$1,592	\$1,928	\$2,208	\$2,619	\$2,641	\$2,382	\$2,396
Gross Margin	\$218	\$255	\$222	\$205	\$323	\$513	\$477	\$425	\$424	\$290	\$253	\$370	\$514	\$687	\$665	\$535	\$437
Gross Margin %	17.3%	17.9%	15.7%	15.0%	18.3%	23.3%	22.6%	21.3%	20.1%	15.9%	15.9%	19.2%	23.3%	26.2%	25.2%	22.5%	18.2%
R&D	\$75	\$77	\$75	\$79	\$91	\$122	\$123	\$128	\$133	\$119	\$125	\$132	\$142	\$154	\$160	\$154	\$167
SG&A	\$44	\$56	\$32	\$47	\$48	\$59	\$56	\$56	\$57	\$42	\$49	\$52	\$53	\$60	\$64	\$68	\$59
Other	\$-	\$-	\$-	\$-	\$49	\$-	\$-	\$-	\$-	\$133	\$38	(\$23)	\$-	\$-	\$-	\$-	\$-
Total Operating Expenses	\$119	\$133	\$107	\$126	\$188	\$181	\$179	\$184	\$190	\$274	\$192	\$161	\$195	\$214	\$224	\$242	\$226
Operating Income	\$90	\$122	\$115	\$79	\$135	\$332	\$298	\$241	\$234	\$16	\$61	\$209	\$319	\$473	\$441	\$293	\$211
Net Income	\$103	\$128	\$121	\$212	\$69	\$305	\$280	\$213	\$211	\$14	\$50	\$196	\$288	\$429	\$400	\$265	\$197
EPS	\$0.46	\$0.57	\$0.53	\$0.94	\$0.31	\$1.35	\$1.23	\$0.94	\$0.93	\$0.06	\$0.22	\$0.86	\$1.25	\$1.85	\$1.71	\$1.13	\$0.84
Diluted Shares Outstanding	225	226	226	225	224	226	227	227	226	224	226	227	230	232	234	235	234
Top 10 Customers Revenue																	
Revenue by Channel	48%	49%	46%	48%	46%	47%	48%	53%	51%	49%	47%	52%	56%	50%	51%	52%	50%
OEM	52%	46%	47%	47%	50%	48%	50%	57%	56%	57%	48%	54%	52%	48%	49%	54%	50%
Distribution	37%	37%	34%	36%	31%	34%	34%	24%	26%	21%	30%	29%	31%	30%	33%	29%	32%
Retail	11%	17%	19%	17%	19%	18%	16%	19%	18%	22%	22%	17%	17%	22%	18%	17%	18%
Revenue by Geography																	
Americas	35%	38%	36%	40%	34%	32%	28%	29%	23%	23%	26%	24%	22%	25%	24%	25%	23%
Europe	28%	32%	29%	26%	33%	32%	31%	25%	29%	29%	28%	22%	22%	25%	24%	21%	23%
Asia	37%	30%	35%	34%	33%	36%	41%	46%	48%	48%	46%	54%	56%	50%	52%	54%	54%
Compute Units																	
Notebook	1,809	2,032	2,960	2,966	4,785	7,134	8,819	9,878	12,411	11,387	7,932	14,67	16,528	17,735	17,072	16,802	16,582
Desktop	16,351	16,519	15,399	15,731	16,674	18,331	17,834	15,863	17,484	14,225	14,629	16,349	18,282	19,250	21,461	20,282	20,918
Enterprise Units	0,688	0,943	0,978	1,127	1,281	1,280	1,324	1,266	1,203	1,005	0,973	1,308	1,669	2,170	2,356	2,346	2,319
Non-Compute Units																	
Consumer Electronics	2,461	2,714	2,579	2,692	3,707	4,077	3,109	4,097	3,913	4,128	3,487	3,666	3,064	4,083	4,643	5,306	5,239
Branded	1,404	2,254	2,596	2,317	2,31	3,390	3,456	4,081	4,396	4,918	4,512	3,994	4,539	6,219	5,565	5,005	5,678
Total HDD Units	22,713	24,462	24,512	24,853	29,357	34,212	34,542	35,185	39,407	35,463	31,563	39,987	44,082	49,497	51,097	49,741	50,736

Note: Excludes WD TV Media Player, WD Lacie, SSD, media



Note: Q1'08 actual EPS reflects the acquisition of Komag, Inc. and a one-time net tax charge of \$55M. Q2'09 includes restructuring charge of \$113M

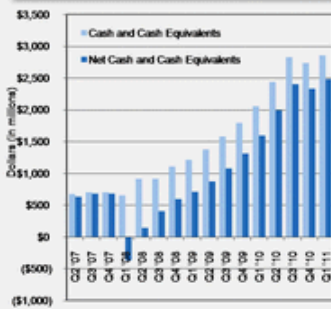


Amounts in millions, except per share amounts	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	F107	F107	F107	F107	F109	F109	F109	F109	F109	F109	F109	F109	F110	F110	F110	F110	F111
Cash and Cash Equivalents	\$603	\$676	\$704	\$700	\$651	\$917	\$917	\$1,104	\$1,213	\$1,376	\$1,579	\$1,794	\$2,056	\$2,435	\$2,826	\$2,734	\$2,828
Debt	\$59	\$29	\$27	\$22	\$1,018	\$773	\$515	\$599	\$507	\$504	\$502	\$502	\$482	\$463	\$452	\$450	\$373
Net Cash and Cash Equivalents	\$544	\$647	\$677	\$678	(\$367)	\$142	\$403	\$505	\$706	\$872	\$1,077	\$1,312	\$1,503	\$1,991	\$2,401	\$2,334	\$2,453
Cash Flow From Operations	\$115	\$184	\$164	\$154	\$219	\$519	\$431	\$229	\$301	\$300	\$355	\$349	\$434	\$557	\$588	\$363	\$390
Free Cash Flow	\$56	\$74	\$94	\$69	\$56	\$350	\$294	\$83	\$139	\$160	\$249	\$238	\$258	\$358	\$411	\$178	\$190
Capital Expenditures	\$59	\$110	\$70	\$85	\$163	\$169	\$137	\$146	\$162	\$140	\$106	\$111	\$176	\$199	\$177	\$185	\$200
Depreciation and Amortization	\$45	\$30	\$55	\$61	\$78	\$111	\$111	\$113	\$117	\$122	\$119	\$122	\$121	\$126	\$128	\$134	\$150
Accounts Receivable, Net	\$614	\$668	\$715	\$697	\$985	\$1,086	\$1,014	\$1,010	\$1,062	\$926	\$824	\$926	\$1,131	\$1,365	\$1,257	\$1,256	\$1,325
Inventory	\$33	\$17	\$12	\$12	\$165	\$171	\$153	\$144	\$129	\$124	\$104	\$97	\$96	\$102	\$115	\$159	\$155
Raw Materials	\$81	\$90	\$86	\$94	\$145	\$131	\$131	\$145	\$168	\$159	\$152	\$154	\$173	\$212	\$254	\$250	\$266
Work in Process	\$102	\$158	\$145	\$153	\$151	\$152	\$171	\$167	\$180	\$163	\$129	\$125	\$126	\$139	\$138	\$146	\$149
Finished Goods	\$216	\$260	\$243	\$259	\$461	\$459	\$455	\$456	\$477	\$446	\$385	\$376	\$395	\$453	\$507	\$560	\$561
Property, Plant and Equipment, Net	\$598	\$637	\$672	\$741	\$1,516	\$1,560	\$1,529	\$1,668	\$1,674	\$1,620	\$1,570	\$1,584	\$1,625	\$1,696	\$1,756	\$2,159	\$2,245
Accounts Payable	\$750	\$816	\$851	\$882	\$1,106	\$1,216	\$1,144	\$1,181	\$1,215	\$1,075	\$1,001	\$1,101	\$1,342	\$1,507	\$1,508	\$1,507	\$1,703
Days Sales Outstanding	44	43	46	46	51	45	44	46	47	46	47	47	47	47	43	48	50
Days Inventory Outstanding	19	20	19	20	29	25	25	27	26	27	26	24	21	21	23	28	26
Days Payables Outstanding	65	63	65	69	70	66	64	69	66	64	60	69	72	71	69	74	79
Cash Conversion Cycle	(2)	-	-	(3)	10	4	5	4	7	9	5	2	(4)	(3)	(3)	2	(3)
Inventory Turns	19	18	20	18	13	15	14	14	14	14	15	17	17	16	13	14	
Shares Repurchased (millions)	-	-	2	3	1	-	2	-	1	-	-	-	-	-	-	-	2
Shares Repurchased \$	\$ -	\$ -	\$29	\$45	\$16	\$ -	\$44	\$ -	\$36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$50
Remaining Amount Authorized	\$136	\$136	\$107	\$62	\$46	\$46	\$502	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$466	\$416
ROIC	35.8%	34.0%	32.3%	28.7%	27.3%	31.4%	33.8%	34.0%	33.5%	22.9%	14.9%	13.9%	15.3%	24.9%	31.2%	30.2%	26.4%
ROA	20.1%	19.4%	18.7%	16.8%	16.4%	19.0%	20.7%	21.2%	21.1%	14.7%	9.8%	9.2%	10.4%	17.0%	21.2%	20.7%	18.1%
Worldwide Headcount	25,687	27,055	27,277	29,572	41,263	42,534	41,876	50,072	51,409	50,838	43,896	45,991	52,208	55,128	61,803	62,500	62,817

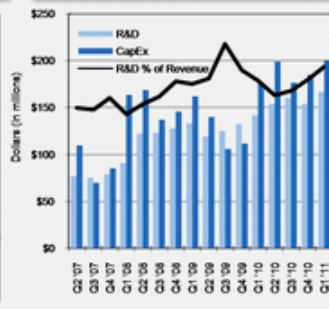
Business Model

- Gross Margin 18%-23%
- Operating Expense 9%-10%
- Operating Income 8%-14%
- Tax 6%-9% of Income Before Tax
- Capital Expenditures 7%-8% (+\$200M in FY11 for conversion to 8" wafers)
- Inventory Turns 12-16 Turns
- Conversion Cycle 4-8 Days

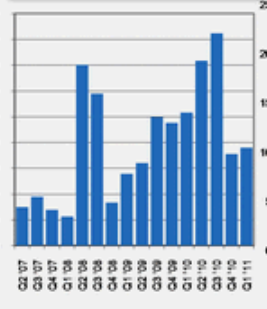
Gross vs. Net Cash & Cash Equivalents



R&D and Capital Expenditures



Free Cash Flow



Return on Assets

