

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 25, 2004

WESTERN DIGITAL CORPORATION

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other
Jurisdiction of
Incorporation)

1-08703
(Commission
File Number)

33-0956711
(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)

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 (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - 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 25, 2004, Western Digital Corporation (the "Company") announced financial results for the fiscal quarter ended October 1, 2004. 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 the Company's Investor Information Summary for the fiscal quarter ended October 1, 2004 is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

SIGNATURES

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 hereunto duly authorized.

WESTERN DIGITAL CORPORATION

By: /s/ Raymond M. Bukaty

Raymond M. Bukaty

Senior Vice President, Administration and

General Counsel

Dated: October 25, 2004

INDEX TO EXHIBITS

Exhibit	Description
99.1	Press Release issued by Western Digital Corporation on October 25, 2004 announcing financial results for the first fiscal quarter ended October 1, 2004.
99.2	First Quarter Fiscal Year 2005 Western Digital Corporation Investor Information Summary.

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FOR IMMEDIATE RELEASE:

**WD ANNOUNCES FIRST QUARTER REVENUE OF
\$824 MILLION AND NET INCOME OF \$0.14 PER SHARE**

***Company Generates \$93 Million in Cash from Operations, Ships 14.2 Million Units,
Including 1.8 Million Units for Personal Entertainment Applications***

LAKE FOREST, Calif. — Oct. 25, 2004 — Reflecting sustained strong financial performance and operational excellence, Western Digital Corp. (NYSE: WDC) today reported revenues of \$824 million on shipments of approximately 14.2 million units, and net income of \$30.4 million, or \$.14 per share, for its first fiscal quarter ended Oct. 1, 2004.

A year ago in the Sept. 2003 quarter, WD produced revenue of \$714 million, shipped approximately 11.3 million units and earned \$5.0 million, or \$0.02 per share. On a year-over-year basis, revenue grew 15 percent and units increased 26 percent. Net income in the year-ago period included \$50.4 million of start-up expenses and other one-time charges related to the Read-Rite asset acquisition.

Matt Massengill, chairman and chief executive officer, stated: “The WD commitment to quality, reliability and flexibility delivers a business model that advantages us in the competitive, high-volume markets we serve. This is reflected in our sustained industry-leading financial

performance over the last several quarters and in our better-than-expected first quarter results. As a result of this commitment, we have been able to earn higher levels of business with leading OEM customers.” In the first quarter, OEM customers accounted for approximately 59 percent of revenue, versus 53 percent of revenue in both the preceding and year ago periods.

“In the first quarter, we met seasonally stronger demand from our customers in the desktop PC and personal entertainment markets,” Massengill said. “We shipped approximately 1.8 million hard drives into personal entertainment applications such as game consoles and digital video recorders, as we continued to expand our presence in markets outside our traditional stronghold of desktop PCs. As part of that same growth strategy, we successfully launched volume production of our WD Scorpio™ family of mobile hard drives to address the growing notebook PC market and of our WD Caviar® RAID Edition hard drives, which are designed and manufactured to deliver enterprise-class reliability in a host of server applications.

“From a balance sheet perspective, our cash at the end of the quarter grew to \$405 million, an increase of \$27 million from the June quarter. We generated \$93 million in cash from operations, and we repurchased approximately 2.1 million shares of common stock for approximately \$15 million, for a total of approximately 4.1 million shares repurchased at a total cost of \$31 million since the program’s inception in May 2004.”

The investment community conference call to discuss these results and the company’s outlook will be broadcast live over the Internet today at 2 p.m. PDT/5 p.m. EDT and archived at the following link: <http://www.westerndigital.com/invest> — click on Conference Calls. A

telephone replay will also be available at 800.876.4652 (toll-free) or 402.220.5326 (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 produces reliable, high-performance hard drives that keep users' data close-at-hand and secure from loss.

WD was founded in 1970. The company's storage products are marketed to leading systems manufacturers and selected resellers 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.

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

	Three Months Ended		
	Oct. 1, 2004	Jul. 2, 2004	Sep. 26, 2003
Revenue, net	\$823.6	\$748.8	\$714.2
Cost of revenue	710.5	647.9	618.0
Gross margin	<u>113.1</u>	<u>100.9</u>	<u>96.2</u>
Operating expenses:			
Research and development	54.0	46.8	63.7
Selling, general and administrative	27.9	24.3	27.6
Total operating expenses	<u>81.9</u>	<u>71.1</u>	<u>91.3</u>
Operating income	31.2	29.8	4.9
Net interest and other income (expense)	—	(0.1)	0.3
Income before income taxes	31.2	29.7	5.2
Income tax expense	(0.8)	(0.1)	(0.2)
Net income	<u>\$ 30.4</u>	<u>\$ 29.6</u>	<u>\$ 5.0</u>
Net income per common share:			
Basic	<u>\$.15</u>	<u>\$.14</u>	<u>\$.02</u>
Diluted	<u>\$.14</u>	<u>\$.14</u>	<u>\$.02</u>
Common shares used in computing per share amounts:			
Basic	<u>205.2</u>	<u>206.5</u>	<u>204.1</u>
Diluted	<u>212.6</u>	<u>215.5</u>	<u>215.9</u>

WESTERN DIGITAL CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions)
(unaudited)

	Oct. 1, 2004	Jul. 2, 2004
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 405.2	\$ 377.8
Accounts receivable, net	400.7	313.1
Inventories	144.3	148.6
Other	17.4	17.8
Total current assets	967.6	857.3
Property and equipment, net	304.0	274.7
Other assets, net	23.4	27.2
Total assets	\$1,295.0	\$1,159.2
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 535.6	\$ 434.9
Accrued expenses	160.3	136.8
Current portion of long-term debt	19.8	15.2
Total current liabilities	715.7	586.9
Long term debt	47.7	52.7
Other liabilities	24.1	32.0
Shareholders' equity:		
Common stock	2.1	2.1
Additional paid-in capital	657.9	668.4
Accumulated deficit	(152.5)	(182.9)
Total shareholders' equity	507.5	487.6
Total liabilities and shareholders' equity	\$1,295.0	\$1,159.2

WESTERN DIGITAL CORPORATION
INVESTOR INFORMATION SUMMARY
Q1 FY2005 (All \$ amounts in millions)

	Q1 FY04	Q2 FY04	Q3 FY04	Q4 FY04	Q1 FY05
REVENUE:	\$714	\$835	\$749	\$749	\$824
REVENUE BY CHANNEL:					
OEM	53%	51%	49%	53%	59%
DISTRIBUTORS	40%	43%	43%	41%	35%
RETAIL	7%	6%	8%	6%	6%
REVENUE BY GEOGRAPHY:					
AMERICAS	38%	41%	42%	44%	40%
EUROPE	30%	31%	30%	27%	30%
ASIA	32%	28%	28%	29%	30%
REVENUE CONCENTRATION:					
10 LARGEST CUSTOMERS	53%	56%	51%	54%	52%
HARD DRIVE UNITS (in millions):	11.3	12.7	11.8	12.5	14.2
WORLDWIDE HEADCOUNT:	15,559	16,843	17,162	17,328	20,760
ASSET MANAGEMENT:					
DAYS SALES OUTSTANDING	42	39	37	38	44
INVENTORY DETAIL:					
RAW MATERIALS	\$10	\$19	\$9	\$26	\$11
WORK IN PROCESS	\$51	\$58	\$67	\$52	\$45
FINISHED GOODS	<u>\$62</u>	<u>\$79</u>	<u>\$73</u>	<u>\$71</u>	<u>\$88</u>
TOTAL INVENTORY, NET	\$123	\$156	\$149	\$149	\$144
INVENTORY TURNS	20	18	17	17	20