

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 30, 2001 (July 25, 2001)

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 July 25, 2001, Western Digital Corporation issued a press release announcing its financial results for its fourth quarter and 2001 fiscal year. For its fourth quarter, the Registrant reported revenues of \$456.0 million and a net loss of \$9.0 million, or \$.05 per share, before nonrecurring items. The results include an operating profit of approximately \$2.8 million and unit shipments of 5.3 million by the Company's hard drive business. Including nonrecurring charges of \$52.2 million, the total net loss for the fourth quarter was \$61.2 million, or \$.34 per share.

For fiscal year 2001, the Company reported revenues of \$1.95 billion and a net loss before nonrecurring items of \$67.4 million, or \$.40 per share. Including nonrecurring charges and extraordinary gains from bond redemptions, the total net loss for fiscal 2001 was \$98.9 million, or \$.59 per share.

Attached hereto as Exhibit 99.1, 99.2.1 and 99.2.2, respectively, are copies of the July 25, 2001, press release, Investor Information Summary and Consolidated Statements of Operations with additional financial information for the Registrant's fourth quarter and 2001 fiscal year posted to the Registrant's website at 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 July 25, 2001, announcing the Company's financial results for its fourth quarter and 2001 fiscal year.
99.2.1	Investor Information Summary.
99.2.2	Consolidated Statements of Operations, restated for adoption of Staff Accounting Bulletin No. 101 ("SAB 101").

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: July 30, 2001

WESTERN DIGITAL CORPORATION

By: /s/ MICHAEL A. CORNELIUS

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

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FOR IMMEDIATE RELEASE:

WESTERN DIGITAL ANNOUNCES FOURTH QUARTER,
FISCAL YEAR END RESULTS

HARD DRIVE BUSINESS POSTS SMALL FOURTH QUARTER OPERATING PROFIT AMID
SOFT INDUSTRY ENVIRONMENT, ACHIEVES SUBSTANTIAL
YEAR-OVER-YEAR IMPROVEMENT IN OPERATING PERFORMANCE

LAKE FOREST, Calif. - July 25, 2001 - Western Digital Corp. (NYSE: WDC) today reported fourth quarter revenues of \$456.0 million and a net loss of \$9.0 million, or \$.05 per share, before nonrecurring items. The results include an operating profit of approximately \$2.8 million and unit shipments of 5.3 million by the Company's hard drive business. Including nonrecurring charges of \$52.2 million, the total net loss for the fourth quarter was \$61.2 million, or \$.34 per share.

The nonrecurring charges recorded in the fourth quarter result from adjustments to the carrying values of equity investments in and notes receivable from Komag Inc., and accrual of Komag contingent guarantees, all of which originally arose when Western Digital sold its disk media business to Komag in April 1999. The decision to take these charges was prompted by Komag's previous announcement that it did not pay its senior debt or the interest on its convertible bonds due June 30 and July 15, 2001, respectively.

In the year-ago period, Western Digital reported revenues of \$473.9 million and a net loss before nonrecurring items of \$26.3 million, or \$.19 per share. Including nonrecurring benefits for tax and other accrual adjustments of \$30.5 million, the Company reported net income of \$4.2 million, or \$.03 per share.

Matt Massengill, president and chief executive officer of Western Digital, said: "The fourth quarter reflected continued execution in our core hard drive business, culminating a 12-month positive swing in operating profit of nearly \$190 million, with a near break-even operating performance for the fiscal year. We demonstrated continued leadership in

the high performance 7200 RPM segment - which accounted for 58 percent of our quarterly revenue - and we maintained our relentless focus on low-cost leadership and expense management. We also delivered on our commitment to reduce losses from our new-venture activities, which declined to \$11.5 million from \$15.0 million in the March quarter. Faced with soft PC demand in the fourth fiscal quarter, we adjusted our build plan downward to avoid contributing to excess supply in the industry, affecting our revenue and unit volumes.

"Based on our flexible manufacturing model, we are positioned to weather the current PC environment and quickly respond to and participate in the eventual recovery in PC growth," said Massengill. "We remain excited about the prospects for incremental growth in the new applications of personal storage such as video game systems and personal video recorders. This quarter, we will begin volume production deliveries of WD hard drives to Microsoft for its new Xbox video game system."

For fiscal year 2001, the Company reported revenues of \$1.95 billion and a net loss before nonrecurring items of \$67.4 million, or \$.40 per share. Including nonrecurring charges and extraordinary gains from bond redemptions, the total net loss for fiscal 2001 was \$98.9 million, or \$.59 per share. For fiscal year 2000, the Company reported revenues of \$1.96 billion and a net loss before nonrecurring items of \$241.8 million, or \$1.97 per share. Including nonrecurring items and extraordinary gains, the total net loss was \$188.0 million, or \$1.53 per share.

During the fourth quarter, the Company adopted the provisions of SEC Staff Accounting Bulletin No. 101 ("SAB101"). As a result, revenues for the quarter and year ended June 29, 2001 were increased by \$19.5 million and \$13.1 million, respectively, and the operating loss for the quarter and year ended June 29, 2001 were reduced by \$2.5 million, or \$.01 per share, and \$1.1 million, or \$.01 per share, respectively. The adjustments made to implement SAB101 in the current quarter and restate prior quarters accordingly, reflect the deferral of revenue for quarter-end sales made to the Company's channel customers under certain shipping terms.

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 meet the increasing demand for innovative information management solutions arising from the proliferation of the Internet and broadband services. Keen Personal Media helps cable TV MSOs build their brand and revenue by providing personal video recording technology and services. Connex designs Network Attached Storage products that enable IT managers to quickly expand network storage. SANavigator develops and markets software that simplifies the central management of Storage Area Networks. SageTree is a software company providing enterprise manufacturing and supply chain analytic applications.

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) to access a variety of financial and investor information.

This release contains forward-looking statements, including statements relating to the Company's participation in the recovery in PC growth and the incremental growth in new applications for personal storage. The forward looking statements are based on current management expectations, and actual results may differ materially as a result of several factors, including: 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; the outcome of litigation between the Company and Cirrus Logic, Inc.; 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.

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Western Digital is a registered trademark of Western Digital Technologies, Inc. Keen Personal Media and TV4me are trademarks of Keen Personal Media, Inc. Connex is a trademark of Connex, Inc. SageTree is a registered trademark of SageTree, Inc. SANavigator is a trademark of SANavigator, 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			YEAR ENDED	
	JUN. 29, 2001*	MAR. 30, 2001*	JUN. 30, 2000	JUN. 29, 2001*	JUN. 30, 2000
Revenues, net	\$ 455,980	\$ 511,728	\$ 473,862	\$ 1,953,949	\$ 1,957,580
Costs and expenses:					
Cost of revenues	405,644	449,155	432,275	1,750,503	1,949,511
Research and development	28,687	35,554	35,202	136,569	163,198
Selling, general and administrative	30,581	33,190	21,461	133,441	138,323
Restructuring charges	--	--	--	--	85,837
Total costs and expenses	464,912	517,899	488,938	2,020,513	2,336,869
Operating loss	(8,932)	(6,171)	(15,076)	(66,564)	(379,289)
Net interest and other nonoperating income (expense)	(52,454)	52	(259)	(53,195)	4,874
Loss before income taxes, extraordinary item and cumulative effect of change in accounting principle	(61,386)	(6,119)	(15,335)	(119,759)	(374,415)
Income tax benefit	--	--	19,500	--	19,500
Income (loss) before extraordinary item and cumulative effect of change in accounting principle	(61,386)	(6,119)	4,165	(119,759)	(354,915)
Extraordinary gain from redemption of debentures	210	371	--	22,400	166,899
Cumulative effect of change in accounting principle	--	--	--	(1,504)	--
Net income (loss)	\$ (61,176)	\$ (5,748)	\$ 4,165	\$ (98,863)	\$ (188,016)
	=====	=====	=====	=====	=====
Basic and diluted income (loss) per common share:					
Basic before extraordinary item and cumulative effect of change in accounting principle	\$ (.34)	\$ (.03)	\$.03	\$ (.71)	\$ (2.89)
Extraordinary gain	\$.00	\$.00	\$ --	\$.13	\$ 1.36
Cumulative effect of change in accounting principle	\$ --	\$ --	\$ --	\$ (.01)	\$ --
Basic	\$ (.34)	\$ (.03)	\$.03	\$ (.59)	\$ (1.53)
Diluted	\$ (.34)	\$ (.03)	\$.03	\$ (.59)	\$ (1.53)
	=====	=====	=====	=====	=====
Common shares used in computing per share amounts:					
Basic	179,390	176,250	139,547	168,715	122,624
Diluted	179,390	176,250	143,337	168,715	122,624
	=====	=====	=====	=====	=====

* The Company adopted Staff Accounting Bulletin No. 101 ("SAB 101") during its fourth quarter ended June 29, 2001. In accordance with the requirements of SAB 101, previously reported quarterly information for fiscal year 2001 has been restated.

WESTERN DIGITAL CORPORATION
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	JUN. 29, 2001	JUN. 30, 2000
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 167,582	\$ 184,021
Accounts receivable, net	128,035	149,135
Inventories	79,680	84,546
Prepaid expenses and other current assets	11,774	33,693
	-----	-----
Total current assets	387,071	451,395
Property and equipment, net	106,769	98,952
Intangible and other assets, net	15,779	65,227
	-----	-----
Total assets	\$ 509,619	\$ 615,574
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 226,191	\$ 266,841
Accrued expenses	116,106	178,225
	-----	-----
Total current liabilities	342,297	445,066
Other liabilities	38,645	44,846
Convertible debentures	112,491	225,496
Minority interest	9,383	10,000
Shareholders' equity (deficit):		
Common stock, \$.01 par value	1,863	1,436
Additional paid-in capital	586,660	371,587
Accumulated deficit	(581,720)	(482,857)
	-----	-----
Total shareholders' equity (deficit)	6,803	(109,834)
	-----	-----
Total liabilities and shareholders' equity (deficit)	\$ 509,619	\$ 615,574
	=====	=====

WESTERN DIGITAL CORPORATION

INVESTOR INFORMATION SUMMARY

Q4 FY2001 (ALL \$ AMOUNTS IN MILLIONS)

	Q4 FY00	Q1 FY01	Q2 FY01	Q3 FY01	Q4 FY01
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REVENUE:					
WITH SAB 101 EFFECT	\$ 474	\$ 425	\$ 562	\$ 512	\$ 456
REVENUE BY CHANNEL :					
OEM	65%	70%	58%	55%	54%
RESELLER	35%	30%	42%	45%	46%
REVENUE BY GEOGRAPHY:					
NORTH AMERICA	59%	58%	57%	60%	60%
EUROPE	28%	32%	31%	26%	25%
ASIA	13%	10%	12%	14%	15%
REVENUE CONCENTRATION :					
10 LARGEST CUSTOMERS	60%	59%	57%	62%	60%
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HARD DRIVES UNITS (MILLIONS):					
WITH SAB 101 EFFECT	5.2	5.1	6.1	5.8	5.3
WORLDWIDE HEADCOUNT :	7,321	7,366	8,200	8,005	7,909
ASSET MANAGEMENT					
DSOs--AVERAGE	29	24	28	23	26
INVENTORY DETAIL :					
RAW	\$ 6	\$ 7	\$ 8	\$ 8	\$ 22
WIP	\$ 11	\$ 11	\$ 14	\$ 12	\$ 9
FINISHED GOODS	\$ 68	\$ 73	\$ 58	\$ 67	\$ 49
	-----	-----	-----	-----	-----
TOTAL INVENTORY, NET	\$ 85	\$ 91	\$ 80	\$ 86	\$ 80
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INVENTORY TURNS	21	18	25	21	20
	=====	=====	=====	=====	=====

Note: This information has been restated to reflect the adoption of SAB 101,
effective as of July 1, 2000.

WESTERN DIGITAL CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
 Restated for the Adoption of SAB 101*
 (in thousands, except per share amounts)

	(UNAUDITED) THREE MONTHS ENDED				YEAR ENDED
	SEP. 29, 2000	DEC. 29, 2000	MAR. 30, 2001	JUN. 29, 2001	JUN. 29, 2001
Revenues, net	\$ 424,593	\$ 561,648	\$ 511,728	\$ 455,980	\$ 1,953,949
Costs and expenses:					
Cost of revenues	399,366	496,338	449,155	405,644	1,750,503
Research and development	34,961	37,367	35,554	28,687	136,569
Selling, general and administrative ...	33,899	35,771	33,190	30,581	133,441
Total costs and expenses	468,226	569,476	517,899	464,912	2,020,513
Operating loss	(43,633)	(7,828)	(6,171)	(8,932)	(66,564)
Net interest and other nonoperating income (expense)	(1,632)	839	52	(52,454)	(53,195)
Loss before income taxes, extraordinary item and cumulative effect of change in accounting principle	(45,265)	(6,989)	(6,119)	(61,386)	(119,759)
Income taxes	--	--	--	--	--
Loss before extraordinary item and cumulative effect of change in accounting principle	(45,265)	(6,989)	(6,119)	(61,386)	(119,759)
Extraordinary gain from redemption of debentures	11,243	10,576	371	210	22,400
Cumulative effect of change in accounting principle	(1,504)	--	--	--	(1,504)
Net income (loss)	(35,526)	3,587	(5,748)	(61,176)	(98,863)
Basic and diluted income (loss) per common share:					
Basic before extraordinary item and cumulative effect of change in accounting principle	\$ (0.31)	\$ (0.04)	\$ (0.03)	\$ (0.34)	\$ (0.71)
Extraordinary gain	\$ 0.08	\$ 0.06	\$ 0.00	\$ 0.00	\$ 0.13
Cumulative effect of change in accounting principle	\$ (0.01)	\$ --	\$ --	\$ --	\$ (0.01)
Basic	\$ (0.24)	\$ 0.02	\$ (0.03)	\$ (0.34)	\$ (0.59)
Diluted	\$ (0.24)	\$ 0.02	\$ (0.03)	\$ (0.34)	\$ (0.59)
Common shares used in computing per share amounts:					
Basic	148,044	171,175	176,250	179,390	168,715
Diluted	148,044	171,175	176,250	179,390	168,715

* During the fourth quarter ended June 29, 2001, the Company adopted Staff Accounting Bulletin No. 101 ("SAB 101"), "Revenue Recognition in Financial Statements". As a result, the Company changed its revenue recognition policy effective July 1, 2000 to recognize revenue on certain product shipments upon delivery rather than shipment. In accordance with the requirements of SAB 101, previously reported quarterly information for fiscal year 2001 has been restated.