

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 24, 2003

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)

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Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits

The following exhibits are furnished pursuant to Item 9 hereof and should not be deemed “filed” under the Securities Exchange Act of 1934.

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 99.1 | Press Release issued by Western Digital Corporation on July 24, 2003 announcing financial results for fourth fiscal quarter and fiscal year ended June 27, 2003. |
| 99.2 | Fourth Quarter Fiscal Year 2003 Western Digital Corporation Investor Information Summary. |

Item 9. Regulation FD Disclosure.

The information included in this Item 9 is intended to be furnished under “Item 12. Results of Operations and Financial Condition” and is included under this Item 9 in accordance with SEC Release No. 33-8216.

On July 24, 2003, Western Digital Corporation announced financial results for the fourth fiscal quarter and fiscal year ended June 27, 2003. A copy of the press release making this announcement is attached hereto as Exhibit 99.1 and incorporated herein by reference. The press release shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act of 1934.

INDEX TO EXHIBITS

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EXHIBIT 99.1

Company contacts:
Bob Blair
Investor Relations
949.672.7834
robert.blair@wdc.com

Steve Shattuck
Public Relations
949.672.7817
steve.shattuck@wdc.com

FOR IMMEDIATE RELEASE:

**WESTERN DIGITAL ANNOUNCES FOURTH QUARTER NET INCOME OF
TWENTY-THREE CENTS PER SHARE**

*Company Achieves Substantial Year-Over-Year Improvement in Quarterly and
Annual Operating Performance*

LAKE FOREST, Calif. – July 24, 2003 – Western Digital Corp. (NYSE: WDC) today reported revenues of \$680 million on shipments of approximately 10.5 million units, and net income of \$48.8 million, or \$.23 per share, for its fourth fiscal quarter ended June 27, 2003. Net income included investment gains of \$3.3 million, after tax.

These results represent 26 percent revenue growth and 31 percent unit-volume expansion over the prior year period, when the company reported revenues of \$541 million on shipments of approximately 8.0 million units, and net income of \$13.1 million, or \$.07 per share.

For its fiscal year ended June 27, 2003, the company reported revenues of \$2.7 billion, up 26 percent over fiscal 2002, and net income of \$200 million, or \$.97 per share. For its prior fiscal year ended June 28, 2002, the company reported revenues of \$2.2 billion and net income of \$65 million, or \$.34 per share.

“Excellent execution by the Western Digital organization resulted in another quarter of strong financial performance, capping an outstanding year of growth and profitability,” said Matt Massengill, chairman and chief executive officer of Western Digital. “We grew our unit volumes in what is traditionally the industry’s slowest period by meeting customer needs in all channels.

“We continued our technology leadership in the desktop space with the industry’s largest and fastest hard drive — WD Caviar® 7200 RPM 250 gigabyte model — and we have qualified and are shipping 80 gigabyte-per-platter technology to all of our major OEM customers. In the enterprise market, we expanded our Serial ATA (SATA) product line with the WD Caviar SE SATA drive, complementing our initial Enterprise SATA product, the WD Raptor™ 10,000 RPM model. We have seen strong response to both products from customers and we are pleased with the adoption of the interface by the enterprise market.

“From a balance sheet perspective, we increased our cash position to \$393 million as we generated \$44 million in cash from operations in the quarter through our ongoing focus on cash management. For the full year, we generated \$281 million in cash from operations.”

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. The call will be accessible live and on an archived basis on the company’s Web site at the following link: <http://www.westerndigital.com/invest> — click on Conference Calls. A telephone replay will also be available at 402.998.1340.

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 produces reliable, high-performance hard drives that keep users' data close-at-hand and secure from loss.

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 adoption of the SATA interface in the enterprise market. The forward-looking statements are based on current management expectations, and actual results may differ materially as a result of several factors, including: levels of operating expense and product cost; supply and demand conditions in the hard drive industry; uncertainties related to the development and introduction of products based on new technologies; changes in product and customer mix; pricing trends; actions by competitors; successful entry into new markets by the company; and other factors discussed in our recent SEC filings, including but not limited to our Form 10-Q for the third quarter of fiscal 2003. We undertake no obligation to update or alter our forward-looking statements to reflect new information or events or for any other reason.

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Western Digital, the Western Digital logo, and WD Caviar are registered trademarks, and WD Raptor is a trademark of Western Digital Technologies, Inc.

WESTERN DIGITAL CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share amounts)
(unaudited)

| | Three Months Ended | | | Year Ended | |
|--|--------------------|------------------|------------------|------------------|------------------|
| | Jun. 27, 2003 | Mar. 28, 2003 | Jun. 28, 2002 | Jun. 27, 2003 | Jun. 28, 2002 |
| Revenue, net | \$680,279 | \$705,839 | \$540,672 | \$2,718,517 | \$2,151,152 |
| Cost of revenue | 568,585 | 583,819 | 466,654 | 2,257,079 | 1,869,551 |
| Gross margin | 111,694 | 122,020 | 74,018 | 461,438 | 281,601 |
| Operating expenses: | | | | | |
| Research and development | 33,636 | 34,726 | 30,628 | 134,686 | 120,128 |
| Selling, general and administrative | 31,130 | 30,205 | 26,161 | 121,407 | 110,797 |
| Total operating expenses | 64,766 | 64,931 | 56,789 | 256,093 | 230,925 |
| Operating income | 46,928 | 57,089 | 17,229 | 205,345 | 50,676 |
| Net interest and other (expense) income | 3,902 | (316) | (537) | 1,537 | 1,371 |
| Income from continuing operations before income taxes | 50,830 | 56,773 | 16,692 | 206,882 | 52,047 |
| Income tax (expense) benefit | (2,033) | (2,271) | (484) | (8,328) | 1,140 |
| Income from continuing operations | 48,797 | 54,502 | 16,208 | 198,554 | 53,187 |
| Discontinued operations | — | — | (3,090) | 1,320 | 12,241 |
| Net income | \$ 48,797 | \$ 54,502 | \$ 13,118 | \$ 199,874 | \$ 65,428 |
| Diluted income per common share: | | | | | |
| Income from continuing operations | \$.23 | \$.26 | \$.08 | \$.97 | \$.28 |
| Discontinued operations | — | — | (.01) | .00 | .06 |
| | \$.23 | \$.26 | \$.07 | \$.97 | \$.34 |
| Common shares used in computing per share amounts: | | | | | |
| Diluted | 213,473 | 207,724 | 197,714 | 205,536 | 193,708 |

WESTERN DIGITAL CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)
(unaudited)

| | Jun. 27, 2003 | Jun. 28, 2002 |
|---|------------------|------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 393,241 | \$ 223,728 |
| Accounts receivable, net | 243,903 | 218,832 |
| Inventories | 97,768 | 73,395 |
| Other | 9,153 | 13,205 |
| | <hr/> | <hr/> |
| Total current assets | 744,065 | 529,160 |
| Property and equipment, net | 122,087 | 107,520 |
| | <hr/> | <hr/> |
| Total assets | \$ 866,152 | \$ 636,680 |
| | <hr/> | <hr/> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 352,274 | \$ 302,998 |
| Accrued expenses | 135,646 | 103,474 |
| Convertible debentures | — | 86,204 |
| | <hr/> | <hr/> |
| Total current liabilities | 487,920 | 492,676 |
| Other liabilities | 33,080 | 41,142 |
| Shareholders' equity: | | |
| Common stock | 2,036 | 1,954 |
| Additional paid-in capital | 659,534 | 617,200 |
| Accumulated deficit | (316,418) | (516,292) |
| | <hr/> | <hr/> |
| Total shareholders' equity | 345,152 | 102,862 |
| | <hr/> | <hr/> |
| Total liabilities and shareholders' equity | \$ 866,152 | \$ 636,680 |
| | <hr/> | <hr/> |

EXHIBIT 99.2

WESTERN DIGITAL CORPORATION
INVESTOR INFORMATION SUMMARY
Q4 FY2003 (All \$ amounts in millions)

| | <u>Q4 FY02</u> | <u>Q1 FY03</u> | <u>Q2 FY03</u> | <u>Q3 FY03</u> | <u>Q4 FY03</u> |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| REVENUE: | \$ 541 | \$ 583 | \$ 749 | \$ 706 | \$ 680 |
| REVENUE BY CHANNEL : | | | | | |
| OEM | 48% | 52% | 53% | 53% | 52% |
| DISTRIBUTORS | 45% | 41% | 39% | 39% | 41% |
| RETAIL | 7% | 7% | 8% | 8% | 7% |
| REVENUE BY GEOGRAPHY: | | | | | |
| AMERICAS | 54% | 48% | 50% | 48% | 46% |
| EUROPE | 29% | 33% | 31% | 31% | 26% |
| ASIA | 17% | 19% | 19% | 21% | 28% |
| REVENUE CONCENTRATION : | | | | | |
| 10 LARGEST CUSTOMERS | 57% | 55% | 58% | 55% | 57% |
| HARD DRIVES UNITS (Millions): | 8.0 | 8.6 | 10.3 | 10.3 | 10.5 |
| WORLDWIDE HEADCOUNT : | 9,550 | 10,003 | 10,829 | 10,958 | 11,508 |
| ASSET MANAGEMENT | | | | | |
| DSOs — AVERAGE | 37 | 36 | 30 | 25 | 33 |
| INVENTORY DETAIL : | | | | | |
| TOTAL | | | | | |
| RAW | \$ 9 | \$ 7 | \$ 14 | \$ 13 | \$ 12 |
| WIP | \$ 10 | \$ 17 | \$ 19 | \$ 17 | \$ 20 |
| FINISHED GOODS | \$ 55 | \$ 68 | \$ 73 | \$ 81 | \$ 66 |
| TOTAL INVENTORY, NET | \$ 73 | \$ 92 | \$ 106 | \$ 111 | \$ 98 |
| INVENTORY TURNS | 26 | 22 | 23 | 21 | 23 |