

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): November 1, 2007

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 November 1, 2007, Western Digital Corporation (“Western Digital”) announced financial results for the first fiscal quarter ended September 28, 2007. 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 fiscal quarter ended September 28, 2007 is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

In Western Digital’s press release attached as Exhibit 99.1 hereto and in its conference call scheduled for 2:30 p.m. PDT/5:30 p.m. EDT today, Western Digital plans to report certain financial information, including revenue, net income and earnings per share, on both a GAAP and a non-GAAP basis. Western Digital believes that the non-GAAP measures presented in the press release and during the conference call are useful to investors as they provide an alternative method for measuring Western Digital’s operating performance and comparing it against prior periods’ performance, excluding net non-recurring charges related to Western Digital’s ongoing hard drive operations and the operating results of Western Digital’s newly acquired media operations from the date of the acquisition (September 5, 2007) through September 28, 2007, including acquisition related in-process research and development charges. As used herein, “GAAP” refers to accounting principles generally accepted in the United States.

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, 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 November 1, 2007 announcing financial results for the first fiscal quarter ended September 28, 2007.

99.2 First Quarter Fiscal Year 2008 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 hereunto duly authorized.

Western Digital Corporation
(Registrant)

Date: November 1, 2007

By: _____
/s/ Raymond M. Bukaty
Raymond M. Bukaty
Senior Vice President, Administration,
General Counsel and Secretary

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release issued by Western Digital Corporation on November 1, 2007 announcing financial results for the first fiscal quarter ended September 28, 2007.
99.2	First Quarter Fiscal Year 2008 Western Digital Corporation Investor Information Summary.

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FOR IMMEDIATE RELEASE:

**WD ANNOUNCES Q1 REVENUE OF \$1.8 BILLION AND
GAAP NET INCOME OF \$69 MILLION, OR \$.31 PER SHARE**

***Non-GAAP Net Income of \$182 Million, or \$.81 Per Share;
HDD Revenue Grows 37 Percent, Units 29 Percent Year-Over-Year***

LAKE FOREST, Calif. — Nov. 1, 2007 — Western Digital Corp. (NYSE: WDC) today reported revenue of \$1.766 billion, comprised of \$1.726 billion of hard drive revenue and \$40 million revenue from media and substrate sales. Hard drive revenue grew by 37 percent over the prior-year comparative period on shipments of 29.4 million units, an increase of 29 percent in unit volume.

GAAP net income for the quarter was \$69 million, or \$.31 per share. This includes net non-recurring tax charges of \$60 million related to WD's ongoing hard drive operations and the results of the company's newly acquired media operations from Sept. 5 through Sept. 28, 2007, including acquisition-related, in-process research and development charges of \$49 million.

Excluding the non-recurring tax charges, non-GAAP consolidated net income was \$129 million, or \$.58 per share. Excluding the tax charges and the impact of the Komag acquisition, non-GAAP HDD revenue was \$1.726 billion, unit shipments were 29.4 million and non-GAAP HDD net income was \$182 million, or \$.81 per share. A year ago, the company reported first quarter

revenue of \$1.264 billion, unit shipments of 22.7 million, and net income of \$103 million, or \$.46 per share.

In Q1, while achieving strong quarter-over-quarter growth in the high-volume desktop market, the company for the first time derived more than half its quarterly hard drive revenue from non-desktop PC applications. Fifty-three percent of hard drive revenue was from these applications, including notebook PCs, consumer electronics, enterprise applications and branded product retail sales. This compares with a mix in the year-ago quarter of 35 percent non-desktop PC revenue.

The company's unit shipments for the first quarter included approximately 5.9 million 2.5-inch hard drives for mobile applications and approximately 3.7 million 3.5-inch hard drives for use in digital video recorders. Branded products accounted for 18 percent of Q1 revenue, continuing to demonstrate the value of WD's global brand leadership.

The company generated \$219 million in cash from operations during the September quarter, ending with total cash and short-term investments of \$851 million. The company borrowed \$750 million on its \$1.25 billion bridge financing facility to help fund the Komag acquisition.

"Our first quarter results reflect the WD team's strong execution in a strong market for hard drives across all applications, regions and channels," said John Coyne, WD's president and chief executive officer. "We continue to reap the benefits of our investments and deployment of leading technologies over the last several years, enabling us to address customer demand for mainstream and higher capacity hard drives in consumer and commercial applications."

Specifically, Coyne noted growing shipments of the company's 250 GB WD Scorpio[®] 2.5-inch and high capacity 3.5-inch hard drives—all based on newer technologies including the company's PMR (perpendicular magnetic recording) heads.

The investment community conference call to discuss these results and the company's outlook will be broadcast live over the Internet today at 2:30 p.m. PDT/5:30 p.m. EDT. The call will be accessible live and on an archived basis via the link below:

Audio Webcast: www.westerndigital.com/investor
Click on "Conference Calls"
Telephone Replay: 866-511-5156 (toll-free)
+1-203-369-1956 (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 accessible and secure from loss. WD applies its storage expertise to consumer products for external, portable and shared storage products.

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

This press release presents revenue, net income and earnings per share on a GAAP and a non-GAAP basis. The non-GAAP financial measures are reconciled to the corresponding GAAP measures in the financial tables included at the end of this press release.

This press release contains the company's unaudited financial results for its first quarter, which are based, in part, on estimates made during the preliminary purchase price allocation of the assets acquired and liabilities assumed through the Komag acquisition. These results may change as additional information becomes available or as a result of continuing review by the company's independent auditors and management. Changes, if any, would be made no later than the date of filing of the Company's Form 10-K for fiscal 2008. This press release also contains forward-looking statements concerning the strong market for hard drives, WD's belief that its investment and deployment of leading technologies will enable

it to address growing customer demand for mainstream and higher capacity hard drives and the growing shipments of WD's 250 GB WD Scorpio 2.5-inch and high capacity 3.5-inch hard drives. These 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 risk that WD's business will suffer during the integration of WD's recently acquired media operations; failure to quickly and effectively integrate WD's recently acquired media technology with WD's head technology; uncertainties regarding managing relationships with WD's external media suppliers, media component suppliers, and external media customers; supply and demand conditions in the hard drive industry; actions by competitors; unexpected advances in competing technologies such as flash memory; uncertainties related to the development and introduction of products based on new technologies and successful expansion into new hard drive markets; business conditions and growth in the mobile PC, consumer electronics, enterprise, external hard drive and desktop markets; pricing trends and fluctuations in average selling prices; changes in the availability and cost of specialized product components that WD does not make internally and commodity materials; and other risks and uncertainties listed in WD's recent Form 10-K filed with the SEC Aug. 28, 2007, 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, the WD logo and WD Scorpio are registered trademarks of Western Digital Technologies, Inc.

WESTERN DIGITAL CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions; unaudited)

	<u>Sept. 28,</u> <u>2007</u>	<u>Jun. 29,</u> <u>2007</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 651	\$ 700
Short-term investments	200	207
Accounts receivable, net	985	697
Inventories	461	259
Other	150	166
Total current assets	2,447	2,029
Property and equipment, net	1,516	741
Goodwill and other intangible assets, net	187	4
Other assets, net	224	127
Total assets	<u>\$ 4,374</u>	<u>\$ 2,901</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,106	\$ 882
Customer advances	59	—
Accrued expenses	211	163
Accrued warranty	76	73
Short-term debt	999	—
Current portion of long-term debt	12	12
Total current liabilities	2,463	1,130
Long-term debt	7	10
Other liabilities	117	45
Total liabilities	2,587	1,185
Shareholders' equity	1,787	1,716
Total liabilities and shareholders' equity	<u>\$ 4,374</u>	<u>\$ 2,901</u>

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

	Three Months Ended		
	Sept. 28, 2007	Jun. 29, 2007	Sept. 29, 2006
Revenue, net	\$ 1,766	\$ 1,367	\$ 1,264
Cost of revenue	1,443	1,162	1,046
Gross margin	<u>323</u>	<u>205</u>	<u>218</u>
Operating expenses			
Research and development	91	79	75
Selling, general and administrative	48	47	44
Acquired in-process research and development	49	—	—
Total operating expenses	<u>188</u>	<u>126</u>	<u>119</u>
Operating income	135	79	99
Net interest and other income	3	7	7
Income before income taxes	138	86	106
Income tax provision (benefit)	69	(126)	3
Net income	<u>\$ 69</u>	<u>\$ 212</u>	<u>\$ 103</u>
Net income per common share:			
Basic	<u>\$.31</u>	<u>\$.97</u>	<u>\$.47</u>
Diluted	<u>\$.31</u>	<u>\$.94</u>	<u>\$.46</u>
Common shares used in computing per share amounts:			
Basic	<u>219</u>	<u>219</u>	<u>219</u>
Diluted	<u>224</u>	<u>225</u>	<u>225</u>

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

	Three Months Ended		
	Sept. 28, 2007	Jun. 29, 2007	Sept. 29, 2006 ¹
Cash flows from operating activities			
Net income	\$ 69	\$ 212	\$ 103
Adjustments to reconcile net income to net cash provided by operations:			
Depreciation and amortization	78	61	45
In-process research and development	49	—	—
Deferred income taxes	60	(129)	—
Stock-based compensation	8	14	9
Changes in operating assets and liabilities	(45)	(4)	(42)
Net cash provided by operating activities	<u>219</u>	<u>154</u>	<u>115</u>
Cash flows from investing activities			
Acquisitions, net of cash acquired	(911)	—	—
Capital expenditures, net	(163)	(86)	(59)
Short-term investments, net	65	(36)	—
Net cash used in investing activities	<u>(1,009)</u>	<u>(122)</u>	<u>(59)</u>
Cash flows from financing activities			
Net proceeds from acquisition financing	750	—	—
Issuance of common stock under employee plans	10	13	2
Repurchase of common stock	(16)	(44)	—
Repayment of long-term debt	(3)	(5)	(6)
Net cash provided by (used in) financing activities	<u>741</u>	<u>(36)</u>	<u>(4)</u>
Net (decrease) increase in cash and cash equivalents	(49)	(4)	52
Cash and cash equivalents, beginning of period	700	704	551
Cash and cash equivalents, end of period	<u>\$ 651</u>	<u>\$ 700</u>	<u>\$ 603</u>

¹ Certain reclassifications have been made to previously reported amounts to conform to the current period presentation.

WESTERN DIGITAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

Reconciliation of Non-GAAP to GAAP Information
(in millions, except per share amounts)
(unaudited)

	Non-GAAP ² WD HDD	Media 09/05/07 - 09/28/07	IPR&D Charges	Notes	Non-GAAP Consol.	Tax Charges	GAAP
Revenue, net	\$ 1,726	\$ 40	\$ —		\$ 1,766	\$ —	\$ 1,766
Cost of revenue	1,409	34	—		1,443	—	1,443
Gross margin	317	6	—	A	323	—	323
Operating expenses							
Research and development	85	6	—		91	—	91
Selling, general and administrative	47	1	—		48	—	48
Acquired in-process research and development	—	—	49	B	49	—	49
Total operating expenses	132	7	49		188	—	188
Operating income	185	(1)	(49)		135	—	135
Net interest and other income	8	(5)	—	C	3	—	3
Income before income taxes	193	(6)	(49)		138	—	138
Income tax provision (benefit)	11	(2)	—	D	9	60	69
Net income	\$ 182	\$ (4)	\$ (49)		\$ 129	\$ (60)	\$ 69

Net income per common share:

Basic	\$.83				\$.59		\$.31
Diluted	\$.81				\$.58		\$.31

Common shares used in computing
per share amounts:

Basic	219				219		219
Diluted	224				224		224

Footnotes

- A. Media operations gross margin includes profit from external sales combined with the benefit from internally produced media for the period from September 5 through September 28, 2007, offset by incremental depreciation and amortization resulting from the acquired assets.
- B. Acquisition related research and development expenses of \$49 million is a nonrecurring charge for acquired in-process research and development.
- C. Media operations net interest and other income includes interest income on acquired cash, less interest expense related to the \$250 million of assumed indebtedness and \$750 million of acquisition bridge financing.
- D. Tax adjustments of \$60 million consist of a \$63 million U.S. tax expense related to an intercompany licensing payment, offset by a \$3 million benefit for reduction of foreign tax contingency accruals.

² We believe the non-GAAP measures presented here are useful to investors as they provide an alternative method for measuring the operating performance of the Company on a non-GAAP basis, excluding the impact of the media operations from the date of acquisition (September 5, 2007), media-related in-process research and development charges and net non-recurring tax charges unrelated to the Komag acquisition. These non-GAAP financial measures are not prepared in accordance with generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. Non-GAAP financial measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

WESTERN DIGITAL CORPORATION
INVESTOR INFORMATION SUMMARY
Q1 FY2008 (All amounts in millions, except ASPs and headcount)

	Q1 FY07	Q2 FY07	Q3 FY07	Q4 FY07	Q1 FY08
HARD DRIVE UNITS:	22.7	24.5	24.5	24.9	29.4
REVENUE:	\$ 1,264	\$ 1,428	\$ 1,410	\$ 1,367	\$ 1,766
HARD DRIVE AVERAGE SELLING PRICE:	\$ 56	\$ 58	\$ 58	\$ 55	\$ 59
GROSS MARGIN %:	17.3%	17.9%	15.8%	15.0%	18.3%
REVENUE BY CHANNEL:					
OEM ¹	52%	46%	47%	47%	51%
DISTRIBUTORS	37%	37%	34%	36%	31%
RETAIL	11%	17%	19%	17%	18%
REVENUE BY GEOGRAPHY:					
AMERICAS	35%	38%	36%	40%	33%
EUROPE	28%	32%	29%	26%	32%
ASIA ¹	37%	30%	35%	34%	35%
REVENUE CONCENTRATION:					
10 LARGEST CUSTOMERS	48%	49%	46%	48%	45%
WORLDWIDE HEADCOUNT:	25,687	27,055	27,277	29,572	41,263
CASH RELATED INFORMATION:					
CASH FLOW FROM OPERATIONS ²	\$ 115	\$ 184	\$ 164	\$ 154	\$ 219
CAPITAL EXPENDITURES ²	\$ 59	\$ 110	\$ 70	\$ 86	\$ 163
DEPRECIATION AND AMORTIZATION	\$ 45	\$ 50	\$ 55	\$ 61	\$ 78
DAYS SALES OUTSTANDING	44	43	46	46	51
INVENTORY METRICS:					
RAW MATERIALS	\$ 33	\$ 17	\$ 12	\$ 12	\$ 165
WORK IN PROCESS	81	90	86	94	145
FINISHED GOODS	102	158	145	153	151
TOTAL INVENTORY, NET	\$ 216	\$ 265	\$ 243	\$ 259	\$ 461
INVENTORY TURNS	19	18	20	18	13

¹ OEM revenue and Asia revenue includes \$40 million of external sales of media and substrates in Q1'08.

² Beginning with the second quarter of 2007, capital expenditures are presented on a cash disbursements basis. The comparative amounts for the first quarter of 2007 for capital expenditures and cash flow from operations have been adjusted for consistency.