



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): April 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

| <b>Exhibit No.</b> | <b>Description</b>   |
|--------------------|--|
| 99.1               | Press Release issued by Western Digital Corporation on April 24, 2003 announcing third fiscal quarter financial results. |
| 99.2               | Third Quarter Fiscal Year 2003 Western Digital Corporation Investor Information Summary.                                 |

**Item 9. Disclosure of Results of Operations and Financial Condition**

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

On April 24, 2003, Western Digital Corporation announced financial results for the quarter ended March 28, 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.

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INDEX TO EXHIBITS

| Exhibit | Description   |
|---------|---|
| 99.1    | Press Release issued by Western Digital Corporation on April 24, 2003, announcing third fiscal quarter financial results. |
| 99.2    | Third Quarter Fiscal Year 2003 Western Digital Corporation Investor Information Summary                                   |

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FOR IMMEDIATE RELEASE:

WESTERN DIGITAL REPORTS EPS OF \$.26, REVENUE OF \$706 MILLION,  
10.3 MILLION UNITS SHIPPED FOR FISCAL Q3; YEAR-OVER-YEAR  
REVENUE GROWTH OF 19%, NET INCOME RISES 184%

LAKE FOREST, Calif. - Apr. 24, 2003 - Western Digital Corp. (NYSE: WDC) today reported revenue of \$706 million on unit shipments of approximately 10.3 million, and net income of \$54.5 million, or \$.26 per share for its third fiscal quarter ending March 28, 2003.

These results represent year-over-year revenue growth of 19 percent and net income growth of 184 percent on a 27 percent increase in unit shipments.

A year ago in the March 2002 quarter, Western Digital produced revenue of \$595 million, shipped 8.1 million units and earned \$19.2 million, or \$.10 per share. The year-ago results included tax benefits and investment gains totaling \$4.0 million.

Average selling prices were \$68 in the March 2003 quarter, down \$5 from the unusually strong December quarter, but essentially flat with both the September and June quarters of calendar 2002. The gross margin and operating margin in the March 2003 quarter were 17.3 percent and 8.1 percent, respectively.

The Company generated \$99 million in cash flow from operations in the March quarter, reflecting balanced linearity of shipments and solid asset management. The cash balance at quarter's end totaled \$347 million, exceeding the cash position at the end of December, despite a cash payment of \$74 million in the quarter, which retired substantially all of the Company's remaining convertible debt.

"These results demonstrate healthy industry demand for hard drives and continued strong execution by the Western Digital team in achieving customer satisfaction and maximizing profitability through excellent quality, predictable supply, and operational excellence," said Matt Massengill, chairman and chief executive officer of Western Digital. "With this focus, we were able to significantly improve our position with leading PC OEM customers in the March quarter."

On the new product front in the third quarter, Massengill noted that Western Digital "continued to meet the industry's demand for high-capacity, high-performance desktop hard drives with shipments of our new WD Caviar(R) 7200 RPM 250 GB drive based on 80 GB-per-platter technology and we successfully launched the WD Raptor(TM) hard drive in the enterprise market -- the industry's first 10,000 RPM Serial ATA drive."

The Company's investment community conference call to discuss its third quarter results and June quarter outlook will be broadcast live over the Internet today at 2 p.m. PDT/5 p.m. EDT. The live and archive audio webcast and Investor Information Summary will be available in the Conference Calls section of the Western Digital Web site at <http://www.westerndigital.com/invest>. A telephone replay at 402.530.7904 will be available through May 5, 2003.



#### 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](http://www.westerndigital.com)) to access a variety of financial and investor information.

This release contains forward-looking statements, including statements relating to our earnings leverage and the financial efficiency of our business and operating model. 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-K for fiscal 2002. 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, WD Caviar and the Western Digital logo 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 |                  |                  | NINE MONTHS ENDED |                  |
|--|--------------------|------------------|------------------|-------------------|------------------|
|  | MAR. 28,<br>2003   | DEC. 27,<br>2002 | MAR. 29,<br>2002 | MAR. 28,<br>2003  | MAR. 29,<br>2002 |
| Revenue, net .....   | \$ 705,839         | \$ 749,490       | \$ 594,867       | \$ 2,038,238      | \$1,610,480      |
| Cost of revenue .....  | 583,819            | 605,409          | 513,849          | 1,688,494         | 1,402,897        |
| Gross margin .....   | 122,020            | 144,081          | 81,018           | 349,744           | 207,583          |
| Operating expenses:  |                    |                  |                  |                   |                  |
| Research and development .....                                 | 34,726             | 34,410           | 31,443           | 101,050           | 89,500           |
| Selling, general and administrative .....                      | 30,205             | 33,628           | 28,774           | 90,277            | 84,636           |
| Total operating expenses .....                                 | 64,931             | 68,038           | 60,217           | 191,327           | 174,136          |
| Operating income .....   | 57,089             | 76,043           | 20,801           | 158,417           | 33,447           |
| Net interest and other (expense) income .....                  | (316)              | (780)            | (334)            | (2,365)           | 1,908            |
| Income from continuing operations<br>before income taxes ..... | 56,773             | 75,263           | 20,467           | 156,052           | 35,355           |
| Income tax (expense) benefit .....                             | (2,271)            | (2,223)          | 1,624            | (6,295)           | 1,624            |
| Income from continuing operations .....                        | 54,502             | 73,040           | 22,091           | 149,757           | 36,979           |
| Discontinued operations .....                                  | --                 | 1,320            | (2,893)          | 1,320             | 15,331           |
| Net income .....   | <u>\$ 54,502</u>   | <u>\$ 74,360</u> | <u>\$ 19,198</u> | <u>\$ 151,077</u> | <u>\$ 52,310</u> |
| Diluted income per common share:                               |                    |                  |                  |                   |                  |
| Income from continuing operations .....                        | \$ .26             | \$ .36           | \$ .11           | \$ .74            | \$ .19           |
| Discontinued operations .....                                  | --                 | .00              | (.01)            | .00               | .08              |
|  | <u>\$ .26</u>      | <u>\$ .36</u>    | <u>\$ .10</u>    | <u>\$ .74</u>     | <u>\$ .27</u>    |
| Common shares used in computing per share amounts:             |                    |                  |                  |                   |                  |
| Diluted .....  | <u>207,724</u>     | <u>204,123</u>   | <u>198,355</u>   | <u>202,890</u>    | <u>192,372</u>   |

WESTERN DIGITAL CORPORATION  
CONDENSED CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS)  
(UNAUDITED)

|   | MAR. 28,<br>2003<br>----- | JUN. 28,<br>2002<br>----- |
|---|---------------------------|---------------------------|
| ASSETS  |                           |                           |
| Current assets:                                 |                           |                           |
| Cash and cash equivalents .....                 | \$ 347,060                | \$ 223,728                |
| Accounts receivable, net .....                  | 195,738                   | 218,832                   |
| Inventories .....                               | 110,663                   | 73,395                    |
| Other .....                                     | 13,374                    | 11,554                    |
|   | -----                     | -----                     |
| Total current assets .....                      | 666,835                   | 527,509                   |
| Property and equipment, net .....               | 117,162                   | 107,520                   |
| Other, net .....                                | 543                       | 1,651                     |
|   | -----                     | -----                     |
| Total assets .....                              | \$ 784,540                | \$ 636,680                |
|   | =====                     | =====                     |
| LIABILITIES AND SHAREHOLDERS' EQUITY            |                           |                           |
| Current liabilities:                            |                           |                           |
| Accounts payable .....                          | \$ 348,332                | \$ 302,998                |
| Accrued expenses .....                          | 132,108                   | 103,474                   |
| Convertible debentures .....                    | --                        | 86,204                    |
|   | -----                     | -----                     |
| Total current liabilities .....                 | 480,440                   | 492,676                   |
| Other .....                                     | 28,016                    | 41,142                    |
| Shareholders' equity:                           |                           |                           |
| Common stock .....                              | 1,983                     | 1,954                     |
| Additional paid-in capital .....                | 639,316                   | 617,200                   |
| Accumulated deficit .....                       | (365,215)                 | (516,292)                 |
|   | -----                     | -----                     |
| Total shareholders' equity .....                | 276,084                   | 102,862                   |
|   | -----                     | -----                     |
| Total liabilities and shareholders' equity .... | \$ 784,540                | \$ 636,680                |
|   | =====                     | =====                     |

WESTERN DIGITAL CORP  
 INVESTOR INFORMATION SUMMARY  
 Q3 FY2003 (ALL \$ AMOUNTS IN MILLIONS)

|                               | Q3 FY02 | Q4 FY02 | Q1 FY03 | Q2 FY03 | Q3 FY03 |
|-------------------------------|---------|---------|---------|---------|---------|
| REVENUE:                      | \$ 595  | \$ 541  | \$ 583  | \$ 749  | \$ 706  |
| REVENUE BY CHANNEL :          |         |         |         |         |         |
| OEM                           | 57%     | 48%     | 52%     | 53%     | 53%     |
| DISTRIBUTORS                  | 36%     | 45%     | 41%     | 39%     | 39%     |
| RETAIL                        | 7%      | 7%      | 7%      | 8%      | 8%      |
| REVENUE BY GEOGRAPHY:         |         |         |         |         |         |
| AMERICAS                      | 52%     | 54%     | 48%     | 50%     | 48%     |
| EUROPE                        | 33%     | 29%     | 33%     | 31%     | 31%     |
| ASIA                          | 15%     | 17%     | 19%     | 19%     | 21%     |
| REVENUE CONCENTRATION :       |         |         |         |         |         |
| 10 LARGEST CUSTOMERS          | 60%     | 57%     | 55%     | 58%     | 55%     |
| HARD DRIVES UNITS (MILLIONS): | 8.1     | 8.0     | 8.6     | 10.3    | 10.3    |
| WORLDWIDE HEADCOUNT :         | 10,114  | 9,550   | 10,003  | 10,829  | 10,958  |
| ASSET MANAGEMENT              |         |         |         |         |         |
| DSOs--AVERAGE                 | 28      | 37      | 36      | 30      | 25      |
| INVENTORY DETAIL :            |         |         |         |         |         |
| TOTAL                         |         |         |         |         |         |
| RAW                           | \$ 13   | \$ 9    | \$ 7    | \$ 14   | \$ 13   |
| WIP                           | \$ 14   | \$ 10   | \$ 17   | \$ 19   | \$ 17   |
| FINISHED GOODS                | \$ 68   | \$ 55   | \$ 68   | \$ 73   | \$ 81   |
| TOTAL INVENTORY, NET          | \$ 95   | \$ 73   | \$ 92   | \$ 106  | \$ 111  |
| INVENTORY TURNS               | 22      | 26      | 22      | 23      | 21      |