

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): January 25, 2001

WESTERN DIGITAL CORPORATION  
(Exact Name of Registrant as Specified in Charter)

Delaware	001-08703	95-264-7125
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(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

20511 Lake Forest Drive Lake Forest, California	92630
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(Address of Principal Executive Offices)	(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 January 25, 2001, Western Digital Corporation issued a press release announcing its second quarter results and reporting that its revenues were \$530.7 million and a net income of \$1.8 million, or \$.01 per share, for its second quarter ended December 29, 2000.

Attached hereto as Exhibits 99.1 and 99.2, respectively, are the copies of the January 25, 2001, press release and the Investor Information Sheet which are both incorporated herein by this reference.

## ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

Exhibit	Description
99.1	Press Release dated January 25, 2001, announcing the Company's second quarter results and reporting that its revenues were \$530.7 million and a net income of \$1.8 million, or \$.01 per share, for its second quarter ended December 29, 2000.
99.2	Investor Information Sheet for Q2 FY2001.

## 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: January 25, 2001

WESTERN DIGITAL CORPORATION

By: /s/ RAYMOND M. BUKATY

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 Raymond M. Bukaty  
 Vice President Corporate Law  
 and Assistant Secretary

## PRESS RELEASE

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## FOR IMMEDIATE RELEASE:

SOLID RETURN TO PROFITABILITY IN HARD DRIVE BUSINESS HIGHLIGHTS WESTERN DIGITAL SECOND QUARTER RESULTS

CORE HDD BUSINESS POSTS SEQUENTIAL, YEAR-OVER-YEAR REVENUE GROWTH & GROSS MARGIN IMPROVEMENT, \$10.2 MILLION OPERATING PROFIT BEFORE EXTRAORDINARY GAINS

LAKE FOREST, Calif. - Jan. 25, 2001 -- Western Digital Corp. (NYSE: WDC) today reported revenue of \$530.7 million and net income of \$1.8 million, or \$.01 per share, for its second quarter ended December 29, 2000--including a \$10.2 million operating profit in its hard drive business and a 21 percent sequential growth in total revenue from its fiscal first quarter. The consolidated Q2 results include an extraordinary gain of \$10.6 million relating to bond redemptions. Excluding the extraordinary gain, the Company would have had a net loss of \$8.8 million, or \$.05 per share.

The strong operating performance of Western Digital's Hard Drive Solutions business reverses a string of 11 consecutive quarters of operating losses. In the year earlier period, Western Digital reported total revenue of \$560.2 million, including \$42.9 million for sales of enterprise class drives - a product line that was discontinued in January 2000. On a year-over-year basis, the Company's desktop hard drive business saw revenue grow from \$517 million in Q2 fiscal 2000 to \$531 million in Q2 fiscal 2001. In the first quarter of fiscal 2001, consolidated revenue totaled \$440 million, almost all of it from desktop drives.

The net loss in the year earlier period was \$15.2 million, or \$.13 per share, and included an extraordinary gain of \$76.3 million for bond redemptions and restructuring charges of \$25.5 million, primarily related to the closure of a manufacturing facility in Singapore. Excluding the extraordinary gain and restructuring charges, the net loss would have been \$66.0 million, or \$.54 per share.

Matt Massengill, president and chief executive officer of Western Digital, said: "Solid profitability and revenue growth in our hard drive business show that we have achieved much of what we set out to do a year ago. Western Digital has returned to the desktop HDD industry's leadership position for both time-to-market and time-to-volume in the 5400 and 7200 RPM platforms, enabling us to achieve a richer product mix. The hard drive business is generating cash; we have expanded gross margins to desktop industry competitive levels; and our flexibility in managing the fast-changing dynamics of our customer and component supply base has earned us primary supplier status at many of the major PC OEMs. The prevailing conditions in our industry favor the players who are executing, flexible, and focused."

Western Digital shipped more than 5.8 million hard drives in the second quarter--up 14 percent from 5.1 million units in the first fiscal quarter and from the 5.1 million desktop units shipped in the year ago quarter. The 20 GB-per-platter family of drives accounted for approximately 76 percent of units shipped in Q2, reflecting WD's first-to-market and first-to-volume achievement with its 20 gigabyte 7200 RPM drive in the first quarter. Nearly 40 percent of Q2 units shipped were 7200 RPM drives. Last week, the Company announced it is in volume production of the new WD Caviar(TM) 5400 RPM, 30 GB-per-platter model--another industry first.

Massengill noted that the second quarter results included operating losses totaling \$19.4 million for the Company's new business ventures, and that the Company is continuing to focus its efforts on reducing those losses throughout the calendar year.

For the six months ended December 29, 2000, revenue was \$970.9 million and the net loss was \$31.7 million, or \$.20 per share, including extraordinary gains of \$21.8 million. This compares with year-earlier revenues of \$967.1 million, including \$124.3 million for sales of subsequently discontinued enterprise class drives, and a net loss of \$121.5 million, or \$1.12 per share, including extraordinary gains of \$166.9 million and non-recurring charges of \$95.5 million.

#### CONFERENCE CALL

Western Digital has scheduled an investment community conference call to discuss second fiscal quarter financial results to be broadcast live over the Internet on Thursday, January 25, 2001 at 2 p.m. PDT at <http://www.westerndigital.com/invest>, click on "Conference Call." An investor information sheet related to the Q2 results will be posted on the same location of the WD Web site.

#### ABOUT WESTERN DIGITAL

Western Digital, one of the storage industry's long-time leaders, provides products and services for people and organizations that collect, manage and use digital information. Our core business, Hard Drive Solutions, produces reliable, high-performance hard drives that enable users to keep data close-at-hand and secure from loss.

Western Digital's new ventures meet the increasing demand for innovative information management solutions arising from the growth of the Internet and broadband services. Keen Personal Media provides interactive broadband Personal Video Recorder and set-top box software, services and hardware for television content management. Connex designs Network Attached Storage products that enable IT managers to quickly expand network storage, and 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 our Web site to access a variety of financial and investor information. ([www.westerndigital.com](http://www.westerndigital.com))

This release contains forward-looking statements, including statements relating to reduction of losses from the Company's new business ventures, component shortages and pricing, improving gross profit margin and product mix. The forward-looking statements are based on current management expectations, and actual results may differ materially as a result of several factors, including: market acceptance for the Company's products and the products and services of the Company's new business ventures; the Company's ability to execute future production ramps and utilize manufacturing assets efficiently; availability of hard drive components; changes in product and customer mix; pricing trends; actions by competitors; successful entry into new markets by the Company and its subsidiaries; 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.

# # #

Western Digital and WD Caviar are registered trademarks. Keen Personal Media is a trademark of Keen Personal Media, Inc. Connex is a trademark of Connex, Inc. SageTree is a trademark of SageTree, 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			SIX MONTHS ENDED	
	DEC. 29, 2000	SEP. 29, 2000	DEC. 31, 1999	DEC. 29, 2000	DEC. 31, 1999
Revenues, net .....	\$ 530,720	\$ 440,222	\$ 560,174	\$ 970,942	\$ 967,131
Costs and expenses:					
Cost of revenues .....	467,209	414,493	539,932	881,702	1,012,232
Research and development .....	37,367	34,961	44,083	72,328	94,226
Selling, general and administrative ..	35,771	33,899	39,070	69,670	82,892
Restructuring charges .....	--	--	25,535	--	57,835
Total costs and expenses .....	540,347	483,353	648,620	1,023,700	1,247,185
Operating loss .....	(9,627)	(43,131)	(88,446)	(52,758)	(280,054)
Net interest and other income (expense) ...	839	(1,632)	(3,028)	(793)	(8,357)
Loss before income taxes and extraordinary item .....	(8,788)	(44,763)	(91,474)	(53,551)	(288,411)
Income tax benefit .....	--	--	--	--	--
Loss before extraordinary item .....	(8,788)	(44,763)	(91,474)	(53,551)	(288,411)
Extraordinary gain from redemption of debentures .....	10,576	11,243	76,277	21,819	166,899
Net income (loss) .....	\$ 1,788	\$ (33,520)	\$ (15,197)	\$ (31,732)	\$ (121,512)
Basic and diluted income (loss) per common share:					
Basic before extraordinary item .....	\$ (.05)	\$ (.30)	\$ (.76)	\$ (.34)	\$ (2.66)
Extraordinary gain .....	\$ .06	\$ .07	\$ .63	\$ .14	\$ 1.54
Basic .....	\$ .01	\$ (.23)	\$ (.13)	\$ (.20)	\$ (1.12)
Diluted .....	\$ .01	\$ (.23)	\$ (.13)	\$ (.20)	\$ (1.12)
Common shares used in computing per share amounts:					
Basic .....	171,175	148,044	121,128	159,609	108,523
Diluted .....	171,175	148,044	121,128	159,609	108,523

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

	DEC. 29, 2000 ----- (UNAUDITED)	JUN. 30, 2000 -----
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents .....	\$ 179,383	\$ 184,021
Accounts receivable, net .....	173,966	149,135
Inventories .....	78,177	84,546
Prepaid expenses and other current assets .....	10,341	33,693
	-----	-----
Total current assets .....	441,867	451,395
Property and equipment, net .....	104,734	98,952
Intangible and other assets, net .....	44,336	65,227
	-----	-----
Total assets .....	\$ 590,937	\$ 615,574
	=====	=====
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>		
Current liabilities:		
Accounts payable .....	\$ 263,001	\$ 266,841
Accrued expenses .....	145,329	178,225
	-----	-----
Total current liabilities .....	408,330	445,066
Other liabilities .....	44,467	44,846
Convertible debentures .....	113,203	225,496
Minority interest .....	9,251	10,000
Shareholders' equity (deficit):		
Common stock, \$.01 par value .....	1,744	1,436
Additional paid-in capital .....	528,531	371,587
Accumulated deficit .....	(514,589)	(482,857)
	-----	-----
Total shareholders' equity (deficit) .....	15,686	(109,834)
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Total liabilities and shareholders' equity (deficit)	\$ 590,937	\$ 615,574
	=====	=====

## WESTERN DIGITAL CORPORATION

## INVESTOR INFORMATION SHEET

## Q2 FY2001 (ALL \$ AMOUNTS IN MILLIONS)

	Q1 FY00	Q2 FY00	Q3 FY00	Q4 FY00	Q1 FY01	Q2 FY01
REVENUE:						
TOTAL	\$ 407	\$ 560	\$ 517	\$ 474	\$ 440	\$ 531
REVENUE BY CHANNEL:						
OEM	76%	61%	62%	65%	70%	58%
RESELLER	24%	39%	38%	35%	30%	42%
REVENUE BY GEOGRAPHY:						
NORTH AMERICA	56%	50%	54%	59%	58%	57%
EUROPE	31%	36%	30%	28%	32%	31%
ASIA	13%	14%	16%	13%	10%	12%
REVENUE CONCENTRATION:						
10 LARGEST CUSTOMERS	69%	52%	51%	60%	60%	57%
HARD DRIVES UNITS (MILLIONS)	3.4	5.3	5.3	5.2	5.1	5.8
WORLDWIDE HEADCOUNT:						
ASSET MANAGEMENT	10,923	9,255	8,462	7,321	7,366	8,200
DSOs--AVERAGE	N/A(1)	32	31	29	30	30
INVENTORY DETAIL:						
TOTAL						
RAW	\$ 16	\$ 14	\$ 13	\$ 6	\$ 7	\$ 8
WIP	\$ 13	\$ 16	\$ 13	\$ 11	\$ 11	\$ 14
FINISHED GOODS	\$ 179	\$ 72	\$ 72	\$ 68	\$ 42	\$ 56
TOTAL NET	\$ 208	\$ 102	\$ 98	\$ 85	\$ 60	\$ 78
INVENTORY TURNS	N/A(2)	21	21	21	28	24