

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 21, 2005

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)

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 (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - 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))
-
-

TABLE OF CONTENTS

[Item 2.02. Results of Operations and Financial Condition.](#)
[SIGNATURES](#)
[INDEX TO EXHIBITS](#)
[EXHIBIT 99.1](#)
[EXHIBIT 99.2](#)

[Table of Contents](#)

Item 2.02. Results of Operations and Financial Condition.

On April 21, 2005, Western Digital Corporation (the “Company”) announced financial results for the fiscal quarter ended April 1, 2005. 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 the Company’s Investor Information Summary for the fiscal quarter ended April 1, 2005 is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, 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.

SIGNATURES

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

By: /s/ Raymond M. Bukaty

Raymond M. Bukaty

Senior Vice President, Administration, General

Counsel and Secretary

Dated: April 21, 2005

INDEX TO EXHIBITS

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release issued by Western Digital Corporation on April 21, 2005 announcing financial results for the third fiscal quarter ended April 1, 2005.
99.2	Third Quarter Fiscal Year 2005 Western Digital Corporation Investor Information Summary.

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:

**WD ANNOUNCES THIRD QUARTER REVENUE OF
\$920 MILLION AND NET INCOME OF \$.32 PER SHARE**

***Operational Efficiencies, Broader Market Coverage, Better Pricing, and Demand for High
Capacity HDs Spur Strong Year-Over-Year Performance***

LAKE FOREST, Calif. — April 21, 2005 — Western Digital Corp. (NYSE: WDC) today reported revenue of \$920 million on shipments of approximately 15.3 million units, and net income of \$70.8 million, or \$.32 per share, for its third fiscal quarter ended April 1, 2005. Gross margin for the quarter was 18.2 percent.

These results represented strong year-over-year performance, including 23 percent growth in revenue versus \$749 million in the year ago period and 48 percent growth in net income over the \$47.9 million reported last year. A year ago, the company reported earnings of \$.22 per share in the fiscal third quarter, shipped 11.8 million units, and posted gross margin of 16.4 percent.

From a balance sheet perspective, the company's cash and short-term investments at the end of the quarter grew to \$574 million, an increase of \$82 million from the December quarter. The company generated \$112 million in cash from operations in the March quarter.

“The supply/demand environment in the hard drive industry was well balanced throughout the quarter, which translated into an improved pricing environment,” said Matt Massengill, chairman and chief executive officer of WD. “Combined with strong demand for high capacity hard drives, improved traction in non-desktop PC markets and our ongoing cost and quality leadership, we produced stellar results in the fiscal third quarter.”

WD indicated that 23 percent of its Q3 revenue was derived from non-desktop PC sources including consumer electronics, enterprise applications, notebook PCs and retail sales. Seventy-seven percent of the company’s Q3 revenue came from hard drives configured into desktop PCs. This compares with a mix in the year-ago quarter of 14 percent non-desktop PC revenue, 86 percent desktop PC revenue. In the last year, WD has funded, developed and launched several new products aimed at the consumer electronics segments for personal and digital video recorders (PVR/DVR) and handheld devices and at the markets for notebook PCs, enterprise and retail hard drives.

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 and archived at the following link: <http://www.westerndigital.com/invest> — click on Conference Calls. A telephone replay will also be available at (toll-free) 866.346.1329 or (international) 203.369.0001.

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 close-at-hand and secure from loss.

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

###

Western Digital is a registered trademark and WD and the Western Digital logo are trademarks of Western Digital Technologies, Inc. All other trademarks herein are property of their respective owner.

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

	Three Months Ended			Nine Months Ended	
	Apr. 1, 2005	Dec. 31, 2004	Mar. 26, 2004	Apr. 1, 2005	Mar. 26, 2004
Revenue, net	\$ 919.9	\$ 954.9	\$ 748.9	\$ 2,698.4	\$ 2,297.9
Cost of revenue	752.9	804.7	626.3	2,268.1	1,937.2
Gross margin	<u>167.0</u>	<u>150.2</u>	<u>122.6</u>	<u>430.3</u>	<u>360.7</u>
Operating expenses:					
Research and development	60.7	59.7	46.5	174.4	154.2
Selling, general and administrative	35.6	33.9	27.2	97.4	81.4
Total operating expenses	<u>96.3</u>	<u>93.6</u>	<u>73.7</u>	<u>271.8</u>	<u>235.6</u>
Operating income	70.7	56.6	48.9	158.5	125.1
Net interest and other income	1.9	0.8	0.1	2.7	0.3
Income before income taxes	72.6	57.4	49.0	161.2	125.4
Income tax expense	1.8	1.4	1.1	4.0	3.7
Net income	<u>\$ 70.8</u>	<u>\$ 56.0</u>	<u>\$ 47.9</u>	<u>\$ 157.2</u>	<u>\$ 121.7</u>
Net income per common share:					
Basic	<u>\$.34</u>	<u>\$.27</u>	<u>\$.23</u>	<u>\$.76</u>	<u>\$.59</u>
Diluted	<u>\$.32</u>	<u>\$.26</u>	<u>\$.22</u>	<u>\$.73</u>	<u>\$.56</u>
Common shares used in computing per share amounts:					
Basic	<u>208.8</u>	<u>205.1</u>	<u>206.7</u>	<u>206.4</u>	<u>205.4</u>
Diluted	<u>218.7</u>	<u>213.6</u>	<u>217.5</u>	<u>215.0</u>	<u>217.1</u>

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

	Apr. 1, 2005	Jul. 2, 2004*
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 461.1	\$ 345.5
Short-term investments	113.2	32.3
Accounts receivable, net	398.6	313.1
Inventories	135.5	148.6
Other	18.3	17.8
Total current assets	1,126.7	857.3
Property and equipment, net	347.2	274.7
Other assets, net	16.2	27.2
Total assets	<u>\$ 1,490.1</u>	<u>\$ 1,159.2</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 551.0	\$ 434.9
Accrued expenses	118.5	90.4
Accrued warranty — current portion	69.6	46.4
Current portion of long-term debt	19.9	15.2
Total current liabilities	759.0	586.9
Long-term debt	37.7	52.7
Other liabilities	30.6	32.0
Shareholders' equity:		
Common stock	2.1	2.1
Additional paid-in capital	686.4	668.4
Accumulated deficit	(25.7)	(182.9)
Total shareholders' equity	662.8	487.6
Total liabilities and shareholders' equity	<u>\$ 1,490.1</u>	<u>\$ 1,159.2</u>

* Certain reclassifications have been made to previously reported 2004 cash and cash equivalents to conform to the current period presentation.

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

	Nine Months Ended	
	Apr. 1, 2005*	Mar. 26, 2004
Cash flows from operating activities:		
Net income	\$ 157.2	\$ 121.7
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	97.2	74.0
In-process research and development expense	—	25.6
Changes in operating assets and liabilities	93.2	(104.3)
Net cash provided by operating activities	<u>347.6</u>	<u>117.0</u>
Cash flows from investing activities:		
Capital expenditures, net	(153.0)	(90.5)
Short-term investments	(80.9)	—
Asset acquisition, net of cash acquired	—	(94.8)
Net cash used for investing activities	<u>(233.9)</u>	<u>(185.3)</u>
Cash flows from financing activities:		
Proceeds from shares issued under employee plans	39.8	21.2
Repurchase of common stock	(23.3)	—
Repayment of long-term debt	(14.6)	—
Net proceeds from long-term debt	—	13.8
Net cash provided by financing activities	<u>1.9</u>	<u>35.0</u>
Net increase (decrease) in cash and cash equivalents	115.6	(33.3)
Cash and cash equivalents, beginning of period	345.5	393.2
Cash and cash equivalents, end of period	<u>\$ 461.1</u>	<u>\$ 359.9</u>

* Certain reclassifications have been made to previously reported 2004 cash and cash equivalents to conform to the current period presentation.

WESTERN DIGITAL CORPORATION
 INVESTOR INFORMATION SUMMARY
 Q3 FY2005 (All \$ amounts in millions)

	Q3 FY04	Q4 FY04	Q1 FY05	Q2 FY05	Q3 FY05
REVENUE:	\$ 749	\$ 749	\$ 824	\$ 955	\$ 920
REVENUE BY CHANNEL:					
OEM	49%	53%	59%	58%	56%
DISTRIBUTORS	43%	41%	35%	35%	37%
RETAIL	8%	6%	6%	7%	7%
REVENUE BY GEOGRAPHY:					
AMERICAS	42%	44%	40%	38%	36%
EUROPE	30%	27%	30%	32%	30%
ASIA	28%	29%	30%	30%	34%
REVENUE CONCENTRATION:					
10 LARGEST CUSTOMERS	51%	54%	52%	49%	45%
HARD DRIVE UNITS (in millions):	11.8	12.5	14.2	16.2	15.3
WORLDWIDE HEADCOUNT:	17,162	17,328	20,760	21,565	22,426
ASSET MANAGEMENT:					
DAYS SALES OUTSTANDING	37	38	44	37	39
INVENTORY DETAIL:					
RAW MATERIALS	\$ 9	\$ 26	\$ 11	\$ 12	\$ 15
WORK IN PROCESS	67	52	45	50	53
FINISHED GOODS	<u>73</u>	<u>71</u>	<u>88</u>	<u>56</u>	<u>68</u>
TOTAL INVENTORY, NET	\$ 149	\$ 149	\$ 144	\$ 118	\$ 136
INVENTORY TURNS	17	17	20	27	22