

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): AUGUST 25, 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 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

The information in this Current Report, including the exhibit, is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Current Report, including the exhibit, shall not be deemed to be incorporated by reference into the filings of the registrant under the Securities Act of 1933, as amended.

On August 25, 2003, Western Digital Corporation issued a press release announcing the settlement of its litigation with Cirrus Logic Inc. In connection with the settlement, Western Digital will make a one-time payment of \$45 million to Cirrus on or before October 17, 2003. Western Digital had previously recorded an obligation totaling approximately \$26.5 million relating to this dispute. The difference of approximately \$18.5 million between the settlement amount and the amount previously recorded will be reflected as a charge to cost of revenue in the fourth quarter 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. Updated statements of income and balance sheets are attached to the press release attached hereto as Exhibit 99.1.

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

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Raymond M. Bukaty  
Vice President, General  
Counsel and Secretary

Dated: August 25, 2003

INDEX TO EXHIBITS

EXHIBIT    DESCRIPTION

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99.1    Press Release issued by Western Digital Corporation on August 25, 2003 announcing settlement of litigation and financial results for fourth fiscal quarter and fiscal year ended June 27, 2003.

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FOR IMMEDIATE RELEASE:

WESTERN DIGITAL ANNOUNCES LITIGATION SETTLEMENT;  
UPDATES FISCAL 2003 FINANCIAL RESULTS

LAKE FOREST, Calif. -- Aug. 25, 2003 -- Western Digital Corp. (NYSE: WDC) today announced the settlement of its litigation with Cirrus Logic Inc. (NYSE: CRUS). Under the terms of the settlement, Western Digital will make a one-time payment to Cirrus Logic on or before October 17, 2003 of \$45 million. As reflected in the company's public filings, Western Digital had previously recorded an obligation totaling approximately \$26.5 million relating to this dispute. In accordance with generally accepted accounting principles, the difference of approximately \$18.5 million between the settlement amount and the amount previously recorded will be reflected as a charge to cost of revenue in the fourth quarter ended June 27, 2003.

The company on July 24, 2003 reported net income of \$48.8 million and \$200 million for its fourth quarter and year ended June 27, 2003, respectively, or earnings per share of \$.23 and \$.97, respectively. After taking into account the litigation settlement and related tax impact, the updated net income amounts for the above periods are \$31 million and \$182 million,

respectively, or earnings per share of \$.15 and \$.89, respectively. Updated statements of income and balance sheets are attached to this release. The company's financial statements will be filed in its Form 10-K as scheduled in late September.

"We are pleased to resolve this long-standing dispute," said Matt Massengill, chairman and chief executive officer of Western Digital. "With this settlement, we avoid the continued expense and distraction of this litigation and potential trial, and remain focused on our business."

In July 2001, Western Digital stopped paying Cirrus Logic for read channel chips that had been delivered, cancelled all outstanding purchase orders and filed suit against Cirrus Logic for breach of contract and other claims resulting from Cirrus' role as a strategic supplier of read channel chips for the company's hard drives. In August 2001, Cirrus Logic filed a cross-complaint, seeking compensatory damages of approximately \$53 million, including the disputed payable of \$26.5 million mentioned above. The matter was scheduled to go to trial in December 2003.

Western Digital has not purchased read channel devices from Cirrus Logic since July 2001 and all of its current and planned future products incorporate read channel chips from other suppliers.

#### 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.

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Western Digital and the Western Digital logo are trademarks of Western Digital Technologies, Inc. Other marks may be mentioned herein that belong to other companies.

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	587,085	583,819	466,654	2,275,579	1,869,551
Gross margin	93,194	122,020	74,018	442,938	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	28,428	57,089	17,229	186,845	50,676
Net interest and other (expense) income	3,902	(316)	(537)	1,537	1,371
Income from continuing operations before income taxes	32,330	56,773	16,692	188,382	52,047
Income tax (expense) benefit	(1,293)	(2,271)	(484)	(7,588)	1,140
Income from continuing operations	31,037	54,502	16,208	180,794	53,187
Discontinued operations	--	--	(3,090)	1,320	12,241
Net income	\$ 31,037	\$ 54,502	\$ 13,118	\$ 182,114	\$ 65,428
	=====	=====	=====	=====	=====
Diluted income per common share:					
Income from continuing operations	\$ .15	\$ .26	\$ .08	\$ .88	\$ .28
Discontinued operations	--	--	(.01)	.01	.06
	\$ .15	\$ .26	\$ .07	\$ .89	\$ .34
	=====	=====	=====	=====	=====
Common shares used in computing per share amounts:					
Diluted	213,473	207,724	197,714	205,536	193,708
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WESTERN DIGITAL CORPORATION  
CONDENSED CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS)  
(UNAUDITED)

	JUN. 27, 2003	JUN. 28, 2002
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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
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Total current assets	744,065	529,160
Property and equipment, net	122,087	107,520
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Total assets	\$ 866,152	\$ 636,680
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LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 352,274	\$ 302,998
Accrued expenses	153,406	103,474
Convertible debentures	--	86,204
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Total current liabilities	505,680	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	(334,178)	(516,292)
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Total shareholders' equity	327,392	102,862
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Total liabilities and shareholders' equity	\$ 866,152	\$ 636,680
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