

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): July 21, 1999

WESTERN DIGITAL CORPORATION

(Exact Name of Registrant as Specified in Charter)

Delaware

001-08703

95-264-7125

(State or Other Jurisdiction
of Incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

8105 Irvine Center Drive
Irvine, California

92618

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (949) 932-5000

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

INFORMATION TO BE INCLUDED IN THE REPORT

ITEM 5. OTHER EVENTS.

(a) On July 21, 1999, the Registrant issued a press release announcing its fourth quarter and year-end results. Attached hereto as Exhibit 99.1 and incorporated by reference herein is a copy of the July 21, 1999 press release.

(b) On August 13, 1999, the Registrant issued a press release announcing it was accelerating the consolidation of its high-volume desktop hard drive manufacturing in Malaysia and a reduction in its Singapore customer repair center and production-related work force. Attached hereto as Exhibit 99.2 and incorporated by reference herein is a copy of the August 13, 1999 press release.

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

Exhibit	Description
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99.1	Press Release dated July 21, 1999.
99.2	Press Release dated August 13, 1999.

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: August 19, 1999

WESTERN DIGITAL CORPORATION

By: /s/ Michael A. Cornelius

 Michael A. Cornelius
 Vice President, Law and
 Administration and Secretary

EXHIBIT INDEX

Exhibit No. -----	Document -----
Exhibit 99.1	Press Release issued July 21, 1999.
Exhibit 99.2	Press Release issued August 13, 1999.

Company Contact:
Robert J. Blair
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For Immediate Release

WESTERN DIGITAL ANNOUNCES FOURTH QUARTER, YEAR-END RESULTS

IRVINE, CA. - July 21, 1999 - Western Digital Corporation (NYSE:WDC) today reported revenue of \$709.3 million and a net loss of \$101.5 million, or \$1.12 per share, for its fourth quarter ended July 3, 1999. The net loss includes a restructuring charge of approximately \$20 million for the sale of the Company's media business to Komag, Inc. Excluding this charge, net loss and net loss per share would have been \$81.5 million and \$.90, respectively. In the year-earlier period, Western Digital reported revenue of \$650.5 million and a net loss of \$162.7 million, or \$1.84 per share. The results for the fourth quarter of 1998 included approximately \$22 million related principally to the start of the technology licensing and component supply agreement with IBM Corporation.

For fiscal 1999, the Company reported revenue of \$2.8 billion and a net loss of \$492.7 million, or \$5.51 per share, compared with a net loss of \$290.2 million, or \$3.32 per share, on revenue of \$3.5 billion in fiscal 1998. Both fiscal 1998 and 1999 results included previously announced restructuring and special charges.

Chuck Haggerty, chairman, president and chief executive officer of Western Digital, said: "The fourth quarter results reflect the brutal competitive pricing in the desktop hard drive industry. Nevertheless, our strategy to compete at the major PC OEMs on the basis of performance, quality and time to market of our hard drives--and our customer service--produced a sequential increase in total unit shipments to 5.7 million in the fourth quarter, compared with 5.1 million units in the March quarter. Notably, we saw improved performance in our Enterprise product line, as units, revenue and gross margin were at their highest levels in three quarters. Continued improvement and solid new product execution in this area are key to Western Digital's recovery."

"Our focus will remain on crisp execution of new product plans in both the desktop and enterprise product lines. Our roadmaps align very well with our major OEM PC and server customers, so the opportunity is there to grow the business. In addition, our efforts to diversify the business model with contributions from the AV consumer and networked attached storage spaces are on target for initial revenue by the end of calendar 1999."

Haggerty also noted the Company's strong asset management in the fourth quarter: "Cash for the quarter finished at expected levels of about \$226 million. Our days-sales-outstanding were at 38 days, a record low level for the Company, mostly due to a refined supply/demand process. Total inventory turns were 19--about four turns better than the March quarter--and our best performance since Q3 in fiscal 1997."

Western Digital Corporation is a leader in information storage products and services. The Company designs and manufactures hard drives for personal and enterprise-wide computing, and markets them to leading systems manufacturers and selected resellers under the Western Digital brand name. The Company was founded in 1970 and has long been noted for its storage and end-market systems-level design knowledge. The Company's home page can be found at <http://www.westerndigital.com>.

This release contains forward-looking statements, including statements relating to improved performance and product execution in the enterprise and desktop product lines, growth in the Company's OEM business, and expected contributions of revenue from AV consumer and networked attached storage by the end of calendar 1999. The forward looking statements are based on current management expectations, and actual results may differ materially as a result of several factors, including: improvement in time to market and time to volume of our new hard drives; successful qualification of our drives with key OEM customers; overall supply and customer demand in the hard drive industry; changes in customer order patterns; business conditions and growth in the personal and enterprise computing industry; development of non-traditional markets for hard drives; successful development and sale of the Company's first products for the AV consumer and networked attached storage markets; and other factors discussed in our recent SEC filings. We undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

WESTERN DIGITAL CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	THREE MONTHS ENDED			YEAR ENDED	
	JULY 3, 1999	JUNE 27, 1998	MAR. 27, 1999	JULY 3, 1999	JUNE 27, 1998
Revenues, net	\$ 709,302	\$ 650,503	\$ 668,456	\$ 2,767,206	\$ 3,541,525
Costs and expenses:					
Cost of revenues	688,429	692,243	628,592	2,770,054	3,441,475
Research and development	52,003	70,010	62,699	216,986	203,733
Selling, general and administrative	44,597	50,719	46,210	195,958	192,142
Restructuring provision	20,000	--	41,000	61,000	--
Total costs and expenses	805,029	812,972	778,501	3,243,998	3,837,350
Operating loss	(95,727)	(162,469)	(110,045)	(476,792)	(295,825)
Net interest income (expense)	(5,759)	(250)	(4,248)	(15,898)	3,817
Loss before income taxes	(101,486)	(162,719)	(114,293)	(492,690)	(292,008)
Provision for income taxes	--	--	--	--	(1,791)
Net loss	\$ (101,486)	\$ (162,719)	\$ (114,293)	\$ (492,690)	\$ (290,217)
Loss per common share:					
Basic	\$ (1.12)	\$ (1.84)	\$ (1.27)	\$ (5.51)	\$ (3.32)
Diluted	\$ (1.12)	\$ (1.84)	\$ (1.27)	\$ (5.51)	\$ (3.32)
Common shares used in computing per share amounts:					
Basic	90,596	88,226	89,883	89,478	87,525
Diluted	90,596	88,226	89,883	89,478	87,525

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

	JULY 3, 1999 -----	JUNE 27, 1998 -----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 226,147	\$ 459,830
Accounts receivable, net	273,435	369,013
Inventories	144,093	186,516
Prepaid expenses	44,672	36,763
	-----	-----
Total current assets	688,347	1,052,122
Property and equipment, net	237,939	346,987
Intangible and other assets, net	96,116	43,579
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Total assets	\$ 1,022,402 =====	\$ 1,442,688 =====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 335,907	\$ 330,130
Accrued expenses	280,711	258,449
Current portion of long-term debt	10,000	0
	-----	-----
Total current liabilities	626,618	588,579
Long-term debt	534,144	519,188
Deferred income taxes	15,430	17,163
Shareholders' equity (deficit):		
Common stock, \$.01 par value	906	883
Additional paid-in capital	140,145	119,026
Retained Earnings (accumulated deficit)	(294,841)	197,849
Total shareholders' equity (deficit)	(153,790)	317,758
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Total liabilities and shareholders' equity (deficit)	\$ 1,022,402 =====	\$ 1,442,688 =====

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For Immediate Release

WESTERN DIGITAL ANNOUNCES EXPANSION OF PRODUCT DESIGN ACTIVITY AT
CHAI CHEE SINGAPORE OPERATION; ACCELERATES MOVE OF DESKTOP HDD TO MALAYSIA

Chai Chee, Singapore--Aug. 13, 1999--Western Digital Corporation (NYSE: WDC) today announced a plan to further develop its Chai Chee, Singapore facility as a regional technical and manufacturing support center, focusing its resources on value-add engineering rather than production volume. The Company also indicated it was accelerating the consolidation of its high-volume desktop hard drive production in its Kuala Lumpur, Malaysian facility to improve manufacturing efficiencies and costs, while focusing its Singapore production resources on desktop hard drive development and component qualification and on production of high end WD Enterprise hard drives.

Arif Shakeel, Western Digital's senior vice president of operations, stated: "The plan announced today reflects a significant move up the value chain for WD Singapore, applying the accumulated experience of more than 10 years of hard drive manufacturing to the design, development and production deployment process. The engineering organization in Chai Chee has delivered the core controller designs for WD's MR and GMR desktop product families and is currently working on the next two generations of products for both the PC and home entertainment marketplaces. We are expanding the existing electronics design center and plan to double the existing staff to accommodate this growth."

Western Digital indicated it is in discussion with the EDB to add a mechanical product design group in Chai Chee and to enlarge its existing tooling and process design and development groups. These advances in Singapore's engineering role are designed to improve linkage with Western Digital's predominantly Asian-based supply partners, and speed the development of new products.

The evolution of the engineering role in the Singapore facility will complement the previously announced consolidation of worldwide materials planning and procurement responsibility in Singapore.

The realignment of hard drive manufacturing will result in a reduction among the production-related Chai Chee work force. In addition, due to the ongoing improvement in WD hard drive quality and reliability in the field, the customer repair center in Chai Chee will also be reduced in size. The plan announced today will be implemented on a phased basis through December, 1999. It will result in a reduction of approximately 2,000 direct and 500 indirect workers at Chai Chee. Following these reductions, the WD Chai Chee workforce will include approximately 1,200 direct and 500 indirect workers.

The first phase is effective today and will affect about 300 direct and 25 indirect workers, primarily in the customer service center. The Company has made arrangements, together with the appropriate Singaporean government agencies, to provide retraining and placement support to those people leaving Western Digital.