

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): October 20, 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.

On October 20, 1999, Western Digital Corporation issued a press release announcing its first quarter results. Attached hereto as Exhibit 99.1 is a copy of the October 20, 1999, press release which is incorporated herein by this reference.

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

Exhibit	Description
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99.1	Press Release dated October 20, 1999, regarding Western Digital Corporation's announcement of its first quarter results.

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: October 21, 1999

WESTERN DIGITAL CORPORATION

By: /s/ Michael A. Cornelius

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

Company Contact:
Robert J. Blair
Western Digital Corporation
949.932.7834
bob.blair@wdc.com

For Immediate Release

WESTERN DIGITAL ANNOUNCES FIRST QUARTER RESULTS

IRVINE, CA -- October 20, 1999 -- Western Digital Corporation (NYSE:WDC) today reported revenue of \$407.0 million and a net loss of \$106.3 million, or \$1.11 per share, for its first quarter ended October 2, 1999. The net loss includes restructuring charges of \$32.3 million, primarily related to the transfer of all desktop hard drive production from Singapore to Malaysia, and \$37.7 million of special charges to cost of sales for the product recall announced on September 27, 1999. Also included in the first quarter loss is an extraordinary gain of \$90.6 million for the redemption of some of the Company's debentures for common stock. Excluding the non-recurring charges and the extraordinary gain, the net loss and net loss per share would have been \$126.9 million, or \$1.32 per share. In the year earlier period, Western Digital reported revenue of \$650.9 million and a net loss of \$194.7 million, or \$2.20 per share. The results for the first quarter of 1999 included special charges of \$84.5 million. Excluding these special charges, net loss and net loss per share for the first quarter of 1999 would have been \$110.2 million and \$1.24, respectively.

Chuck Haggerty, chairman, president and chief executive officer of Western Digital, stated: "The first quarter was another very competitive pricing environment in the hard drive industry, complicated for Western Digital by the product recall. The operations recovery plan is on schedule: 90% of the affected drives have been captured and are being reworked; volume production resumed last week of the WD Caviar 6.8GB/platter series with new chips; all major OEM customers have reviewed and accepted the corrective action plan; and we expect to be back to normal production levels in the first week of November.

"We are in qualification at all major OEM customers with our next generation WD Caviar desktop series, the 9.1GB and 10.2GB/platter platforms, and expect to be volume shipping to customers in October.

In the Enterprise market, Haggerty noted that the Company's shipments will begin to shift in the next several quarters to more of the 10,000 RPM drives as the Company expands its offerings in the high end and entry-level segments of this market.

"WD's hard drives continue to win industry and customer accolades," Haggerty continued. "In the first quarter, PC World, VAR Business and StorageReview.com recognized WD hard drives for industry-leading quality and performance in their annual surveys.

"Our efforts to create the industry's most efficient manufacturing operation have resulted in annualized cost savings of about \$100 million. We expect to achieve additional efficiencies and savings throughout our organizations in the next several quarters."

The Company made further progress in its diversification efforts into audio/visual storage solutions and networked attached storage solutions in the first quarter. In the A/V space, Western Digital introduced the WD Performer, its first hard drive specifically for the home entertainment market and featuring WhisperDrive acoustics technology. The WD Performer is in qualification with a number of consumer electronics and set top box manufacturers. The Company also introduced its innovative StreamWeaver technology for its next-generation WD Performer drives, to enable consumers to efficiently handle multiple streams of data in the home entertainment environment. "By developing unique technology that facilitates the growth of this market and by partnering with consumer AV leader Sony, we aim to establish WD as a major industry player over the next year in this fast-growing emerging space," said Haggerty.

Haggerty indicated that Connex, a wholly-owned subsidiary of Western Digital, will be introducing its first network attached storage system shortly and that initial shipments are scheduled for January 2000.

"Combined with our initiatives to restore the core hard drive business to health and peak efficiency, the efforts in audio visual and network attached storage solutions are key elements in transforming the WD business model in the long term," said Haggerty.

Western Digital Corporation is a leading manufacturer of hard drives used for information storage in desktop computers, servers, workstations and home entertainment electronic products. Through its Connex subsidiary, the company serves users of network-attached storage systems and enterprise-wide storage area networks. Western Digital was founded in 1970 and has long been noted for its storage and end-market systems-level design knowledge. The company's products are marketed to leading systems manufacturers and selected resellers under the Western Digital brand name. Its home page can be found at <http://www.westerndigital.com>.

This release contains forward-looking statements, including statements relating to the Company's resumption of normal production levels, the shift in production to its 10,000 rpm Enterprise drive, expected volume shipment of the Company's next generation drives, additional efficiencies and savings, expected volume shipments of the WD Performer drive, the Company's position as an industry player in the home entertainment environment, and shipments by Connex of its first networked attached storage system. The forward looking statements are based on current management expectations, and actual results may differ materially as a result of several factors, including: an adequate supply of components for the Company's drives; implementation of headcount reductions and operational changes; successful production ramp of the Company's next generation drives; leadership by the Company in home entertainment storage technology; successful qualification of the Company's 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 Connex's first product for the networked attached storage market; 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 CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	THREE MONTHS ENDED		
	OCT. 2, 1999	JULY 3, 1999	SEPT. 26, 1998
Revenues, net	\$ 406,957	\$ 709,302	\$ 650,858
Costs and expenses:			
Cost of revenues	472,300	688,429	733,610
Research and development	50,143	52,003	51,921
Selling, general and administrative	43,822	44,597	57,332
Restructuring provision	32,300	20,000	--
Total costs and expenses	598,565	805,029	842,863
Operating loss	(191,608)	(95,727)	(192,005)
Net interest expense	(5,329)	(5,759)	(2,653)
Loss before income taxes and extraordinary item	(196,937)	(101,486)	(194,658)
Provision for income taxes	--	--	--
Loss before extraordinary item	(196,937)	(101,486)	(194,658)
Extraordinary gain from redemption of debentures	90,622	--	--
Net Loss	<u>\$ (106,315)</u>	<u>\$ (101,486)</u>	<u>\$ (194,658)</u>
Basic and diluted income (loss) per common share:			
Loss per share before extraordinary item	\$ (2.05)	\$ (1.12)	\$ (2.20)
Extraordinary gain94	--	--
Loss per share	<u>\$ (1.11)</u>	<u>\$ (1.12)</u>	<u>\$ (2.20)</u>
Common shares used in computing per share amounts	<u>95,918</u>	<u>90,596</u>	<u>88,545</u>

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

	OCT. 2, 1999	JULY 3, 1999
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ASSETS		
Current assets:		
Cash and cash equivalents	\$ 185,054	\$ 226,147
Accounts receivable, net	87,255	273,435
Inventories	207,741	144,093
Prepaid expenses	45,675	44,672
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Total current assets	525,725	688,347
Property and equipment, net	186,981	237,939
Intangible and other assets, net	117,506	96,116
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Total assets	\$ 830,212	\$ 1,022,402
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LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 272,949	\$ 335,907
Accrued expenses	291,119	280,711
Current portion of long-term debt	10,000	10,000
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Total current liabilities	574,068	626,618
Long-term debt	371,365	534,144
Deferred income taxes	15,476	15,430
Shareholders' deficit:		
Common stock, \$.01 par value	1,123	906
Additional paid-in capital	247,413	142,268
Accumulated other comprehensive income (loss)	21,923	(2,123)
Accumulated deficit	(401,156)	(294,841)
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Total shareholders' deficit	(130,697)	(153,790)
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Total liabilities and shareholders' deficit	\$ 830,212	\$ 1,022,402
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