
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 21, 2010

Western Digital Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

001-08703
(Commission File Number)

33-0956711
(I.R.S. Employer Identification No.)

20511 Lake Forest Drive
Lake Forest, California
(Address of Principal Executive Offices)

92630
(Zip Code)

(949) 672-7000
(Registrant's Telephone Number, Including Area Code)

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:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 240.425)
 - 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))
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Item 2.02 Results of Operations and Financial Condition.

On January 21, 2010, Western Digital Corporation (“Western Digital”) announced financial results for the second fiscal quarter ended January 1, 2010. 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 Western Digital’s Investor Information Summary for the second quarter ended January 1, 2010 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 Item 2.02, 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 (the “Securities Act”), or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

- 99.1 Press Release issued by Western Digital Corporation on January 21, 2010 announcing financial results for the second fiscal quarter ended January 1, 2010.
- 99.2 Second Quarter Fiscal Year 2010 Western Digital Corporation Investor Information Summary.

SIGNATURE

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, thereunto duly authorized.

Western Digital Corporation
(Registrant)

By: /s/ Raymond M. Bukaty _____

Raymond M. Bukaty
Senior Vice President, Administration,
General Counsel and Secretary

Date: January 21, 2010

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FOR IMMEDIATE RELEASE:

**WD® ANNOUNCES FISCAL Q2 REVENUE OF \$2.6 BILLION WITH
NET INCOME OF \$429 MILLION, OR \$1.85 PER SHARE**

***Revenue Up 44 Percent, Hard Drive Shipments Up 39 Percent,
From Year-ago Quarter***

LAKE FOREST, Calif. — Jan. 21, 2010 — Western Digital Corp. (NYSE: WDC) today reported revenue of \$2.6 billion, hard drive shipments of 49.5 million units and net income of \$429 million, or \$1.85 per share, for its second fiscal quarter ended Jan. 1, 2010. In the year-ago quarter, the company reported revenue of \$1.8 billion, hard drive shipments of 35.5 million units, and net income of \$14 million. The year-ago net income included \$113 million of restructuring charges.

The company generated a record \$557 million in cash from operations during the second quarter, ending with total cash and cash equivalents of \$2.4 billion.

“We are very pleased with WD’s strong financial performance in our second fiscal quarter,” said John Coyne, president and chief executive officer. “For the third consecutive quarter, we increased output in a supply constrained environment, providing strong support of our customers’ growth opportunities, primarily in the consumer segment but, notably, with some emerging strength in the commercial sector. Continued customer preference for WD products, our timely investments in capital, the support of our supply partners and outstanding execution

by the WD team generated record revenue and profits. A moderate pricing environment, combined with our passionate focus on cost and efficiency, enabled gross margins of 26.2 percent—well above the high end of our model range.”

The investment community conference call to discuss these results will be broadcast live over the Internet today at 2 p.m. Pacific/5 p.m. Eastern. The call will be accessible live and on an archived basis via the link below:

Audio Webcast: www.westerndigital.com/investor
Click on “Conference Calls”

Telephone Replay: 800-925-0904 (toll-free)
+1-203-369-3093 (international)

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 designs and produces reliable, high-performance hard drives and solid state drives that keep users’ data accessible and secure from loss. Its advanced technologies are configured into applications for client and enterprise computing, embedded systems and consumer electronics, as well as its own consumer storage and media products.

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

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Western Digital, WD, and the WD logo are registered trademarks of Western Digital Technologies, Inc. All other trademarks mentioned herein belong to their respective owners.

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

	Jan. 1, 2010	Jul. 3, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,435	\$ 1,794
Accounts receivable, net	1,365	926
Inventories	453	376
Other	163	134
Total current assets	4,416	3,230
Property and equipment, net	1,696	1,584
Goodwill	139	139
Other intangible assets, net	83	89
Other assets	251	249
Total assets	<u>\$ 6,585</u>	<u>\$ 5,291</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,507	\$ 1,101
Accrued expenses	288	247
Accrued warranty	118	95
Current portion of long-term debt	94	82
Total current liabilities	2,007	1,525
Long-term debt	350	400
Other liabilities	237	174
Total liabilities	2,594	2,099
Shareholders' equity	3,991	3,192
Total liabilities and shareholders' equity	<u>\$ 6,585</u>	<u>\$ 5,291</u>

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

	Three Months Ended		Six Months Ended	
	Jan. 1, 2010	Dec. 26, 2008	Jan. 1, 2010	Dec. 26, 2008
Revenue, net	\$ 2,619	\$ 1,823	\$ 4,827	\$ 3,933
Cost of revenue	1,932	1,533	3,626	3,219
Gross margin	<u>687</u>	<u>290</u>	<u>1,201</u>	<u>714</u>
Operating expenses:				
Research and development	154	119	296	252
Selling, general and administrative	60	42	113	99
Restructuring	—	113	—	113
Total operating expenses	<u>214</u>	<u>274</u>	<u>409</u>	<u>464</u>
Operating income	473	16	792	250
Net interest and other	(2)	(9)	(4)	(13)
Income before income taxes	471	7	788	237
Income tax provision (benefit)	42	(7)	71	12
Net income	<u>\$ 429</u>	<u>\$ 14</u>	<u>\$ 717</u>	<u>\$ 225</u>
Income per common share:				
Basic	<u>\$ 1.89</u>	<u>\$ 0.06</u>	<u>\$ 3.17</u>	<u>\$ 1.01</u>
Diluted	<u>\$ 1.85</u>	<u>\$ 0.06</u>	<u>\$ 3.10</u>	<u>\$ 1.00</u>
Common shares used in computing per share amounts:				
Basic	<u>227</u>	<u>222</u>	<u>226</u>	<u>222</u>
Diluted	<u>232</u>	<u>224</u>	<u>231</u>	<u>225</u>

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

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>Jan. 1, 2010</u>	<u>Dec. 26, 2008</u>	<u>Jan. 1, 2010</u>	<u>Dec. 26, 2008</u>
Cash flows from operating activities				
Net income	\$ 429	\$ 14	\$ 717	\$ 225
Adjustments to reconcile net income to net cash provided by operations:				
Depreciation and amortization	126	122	247	239
Stock-based compensation	13	11	27	21
Deferred income taxes	(5)	(7)	(5)	(7)
Loss on investments	—	6	—	9
Non-cash portion of restructuring	—	80	—	80
Changes in operating assets and liabilities	(6)	74	5	34
Net cash provided by operating activities	<u>557</u>	<u>300</u>	<u>991</u>	<u>601</u>
Cash flows from investing activities				
Purchases of property and equipment	(199)	(140)	(375)	(302)
Sales and maturities of investments	3	—	3	1
Net cash used in investing activities	<u>(196)</u>	<u>(140)</u>	<u>(372)</u>	<u>(301)</u>
Cash flows from financing activities				
Issuance of stock under employee stock plans, net	26	10	40	9
Increase (decrease) in excess tax benefits from employee stock plans	11	(4)	20	4
Repurchases of common stock	—	—	—	(36)
Repayment of long-term debt	(19)	(3)	(38)	(5)
Net cash provided by (used in) financing activities	<u>18</u>	<u>3</u>	<u>22</u>	<u>(28)</u>
Net increase in cash and cash equivalents	379	163	641	272
Cash and cash equivalents, beginning of period	2,056	1,213	1,794	1,104
Cash and cash equivalents, end of period	<u>\$ 2,435</u>	<u>\$ 1,376</u>	<u>\$ 2,435</u>	<u>\$ 1,376</u>

WESTERN DIGITAL CORPORATION
 INVESTOR INFORMATION SUMMARY
 Q2 FY2010 (All amounts in millions, except ASPs and headcount)

	Q2 FY09	Q3 FY09	Q4 FY09	Q1 FY10	Q2 FY10
UNITS¹	35.5	31.6	40.0	44.1	49.5
REVENUE	\$ 1,823	\$ 1,592	\$ 1,928	\$ 2,208	\$ 2,619
AVERAGE SELLING PRICE¹	\$ 51	\$ 50	\$ 48	\$ 49	\$ 52
GROSS MARGIN %	15.9%	15.9%	19.2%	23.3%	26.2%
REVENUE BY CHANNEL					
OEM	57%	48%	54%	52%	48%
DISTRIBUTORS	21%	30%	29%	31%	30%
RETAIL	22%	22%	17%	17%	22%
REVENUE BY GEOGRAPHY					
AMERICAS	23%	26%	24%	22%	25%
EUROPE	29%	28%	22%	22%	25%
ASIA	48%	46%	54%	56%	50%
REVENUE CONCENTRATION					
10 LARGEST CUSTOMERS	49%	47%	52%	56%	55%
WORLDWIDE HEADCOUNT	50,838	43,898	45,991	52,208	55,128
CASH RELATED INFORMATION					
CASH FLOW FROM OPERATIONS	\$ 300	\$ 355	\$ 349	\$ 434	\$ 557
CAPITAL EXPENDITURES	\$ 140	\$ 106	\$ 111	\$ 176	\$ 199
DEPRECIATION AND AMORTIZATION	\$ 122	\$ 119	\$ 122	\$ 121	\$ 126
DAYS SALES OUTSTANDING	46	47	47	47	47
DAYS PAYABLES OUTSTANDING	64	68	69	72	71
INVENTORY METRICS					
RAW MATERIALS	\$ 124	\$ 104	\$ 97	\$ 96	\$ 102
WORK IN PROCESS	159	152	154	173	212
FINISHED GOODS	163	129	125	126	139
TOTAL INVENTORY, NET	\$ 446	\$ 385	\$ 376	\$ 395	\$ 453
INVENTORY TURNS	14	14	15	17	17

¹ Based on sales of hard drive units only (excludes SSD, WD TV Media Player, and media/substrates)