

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 28, 2009

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 28, 2009, Western Digital Corporation (“Western Digital”) announced financial results for the second fiscal quarter ended December 26, 2008. 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 fiscal quarter ended December 26, 2008 is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

In Western Digital’s press release attached as Exhibit 99.1 hereto and in its conference call scheduled for 2:00 p.m. PDT/5:00 p.m. EDT today, Western Digital plans to report certain financial information, including net income and earnings per share for the quarter ended December 26, 2008, on both a GAAP and a non-GAAP basis. Western Digital believes that the non-GAAP measures presented in the press release and during the conference call are useful to investors as they provide an alternative method for measuring Western Digital’s operating performance and comparing it against prior periods’ performance, excluding second quarter restructuring charges associated with Western Digital’s restructuring plan announced on December 17, 2008, less tax benefits related to the restructuring charges.

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 28, 2009 announcing financial results for the second fiscal quarter ended December 26, 2008.
- 99.2 Second Quarter Fiscal Year 2009 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 28, 2009

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release issued by Western Digital Corporation on January 28, 2009 announcing financial results for the second fiscal quarter ended December 26, 2008.
99.2	Second Quarter Fiscal Year 2009 Western Digital Corporation Investor Information Summary.

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FOR IMMEDIATE RELEASE:

**WD ANNOUNCES Q2 REVENUE OF \$1.8 BILLION AND
NET INCOME OF \$14 MILLION, OR \$0.06 PER SHARE**

Non-GAAP Net Income of \$123 Million, or \$0.55 per share

LAKE FOREST, Calif. — Jan. 28, 2009 — Western Digital Corp. (NYSE: WDC) today reported revenue of \$1.8 billion, on shipments of approximately 35.5 million units and net income of \$14 million, or \$0.06 per share, for its fiscal second quarter ended Dec. 26, 2008. The company's results include charges of \$113 million associated with the restructuring plan announced on Dec. 17, 2008. Excluding the restructuring charges and the related tax benefit of \$4 million, non-GAAP net income was \$123 million or \$0.55 per share.¹

In the year-ago quarter, the company reported revenue of \$2.2 billion, of which \$2.1 billion related to the sale of hard drives. Year-ago unit shipments were 34.2 million and net income was \$305 million, or \$1.35 per share.

The company shipped 13.8 million 2.5-inch mobile drives and 4.1 million 3.5-inch units for the PVR/DVR market, compared with 8.7 million and 4.1 million units

¹ Non-GAAP net income consists of GAAP net income of \$14 million plus \$113 million of restructuring charges less \$4 million of tax benefits related to the restructuring charges. Non-GAAP earnings per share of \$0.55 is calculated by using the same 224 million diluted shares as is used for GAAP earnings per share.

a year ago, respectively. Branded products accounted for 22 percent of hard drive revenue in the December quarter compared with 18 percent in the year-ago quarter.

The company generated \$300 million in cash from operations during the December quarter, ending with total cash and cash equivalents of \$1.4 billion.

“Against a backdrop of unprecedented global economic turmoil and a rapid intra-quarter fall off in demand for hard drives, WD acted swiftly to align production and operating expenses with significantly lower-than-originally planned unit volumes,” said John Coyne, president and chief executive officer. “With a strong balance sheet and competitive cost structure, we plan to continue investing in next-generation product platforms and technologies during this downturn. We are focused on maintaining our leadership in technology deployment, ease-of-use features, and availability of the right products for our diversified customer base. We remain enthused about our long-term prospects as a full-line storage supplier in addressing the demands of both the commercial and consumer markets as the digitization of content continues to grow.”

The investment community conference call to discuss these results will be broadcast live over the Internet today at 2 p.m. PST/5 p.m. EST. 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: 888-562-6879 (toll-free)
+1-402-220-6534 (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 produces reliable, high-performance hard drives that keep users' data accessible and secure from loss. WD applies its storage expertise to consumer products for external, portable and shared storage applications.

WD was founded in 1970. The company's storage products are marketed to leading 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.

This press release contains forward-looking statements concerning the amount and timing of the expected charges and related tax benefit associated with WD's business restructuring plan, the strength of WD's balance sheet and the competitiveness of its cost structure, WD's investment in next-generation product platforms and technologies, WD's leadership in technology deployment and product features and availability, and WD's prospects as a full-line storage supplier for commercial and consumer markets. The amount of restructuring charges recorded in the December quarter is based on current estimates and assumptions related to, among other things, the fair values of assets that will be disposed. These estimates may change up until the date of actual disposal or completion of the restructuring plan. The foregoing forward-looking statements are based on

WD Announces Q2 Revenue of \$1.8 Billion and
Net Income of \$14 Million, or \$0.06 Per Share
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WD's current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements, including: the impact of current negative global economic conditions; supply and demand conditions in the hard drive industry; actions by competitors; unexpected advances in competing technologies; uncertainties related to the development and introduction of products based on new technologies and expansion into new hard drive markets; business conditions and growth in the various hard drive markets; pricing trends and fluctuations in average selling prices; changes in the availability and cost of commodity materials and specialized product components that WD does not make internally; and other risks and uncertainties listed in WD's recent Form 10-Q filed with the SEC on October 31, 2008, to which your attention is directed. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, and WD undertakes no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

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Western Digital, WD, and the WD logo are registered trademarks of Western Digital Technologies, Inc. in the U.S. and other countries.

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

	<u>Dec. 26,</u> <u>2008</u>	<u>Jun. 27,</u> <u>2008</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,376	\$ 1,104
Accounts receivable, net	926	1,010
Inventories	446	456
Other	147	161
Total current assets	<u>2,895</u>	<u>2,731</u>
Property and equipment, net	1,620	1,668
Goodwill	116	116
Other intangible assets, net	70	81
Other assets	270	279
Total assets	<u>\$ 4,971</u>	<u>\$ 4,875</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,075	\$ 1,181
Accrued expenses	243	266
Accrued warranty	94	90
Current portion of long-term debt	60	27
Total current liabilities	<u>1,472</u>	<u>1,564</u>
Long-term debt	444	482
Other liabilities	134	133
Total liabilities	<u>2,050</u>	<u>2,179</u>
Shareholders' equity	2,921	2,696
Total liabilities and shareholders' equity	<u>\$ 4,971</u>	<u>\$ 4,875</u>

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

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>Dec. 26, 2008</u>	<u>Dec. 28, 2007</u>	<u>Dec. 26, 2008</u>	<u>Dec. 28, 2007</u>
Revenue, net	\$ 1,823	\$ 2,204	\$ 3,933	\$ 3,970
Cost of revenue	1,533	1,691	3,219	3,134
Gross margin	<u>290</u>	<u>513</u>	<u>714</u>	<u>836</u>
Operating expenses:				
Research and development	119	122	252	213
Selling, general and administrative	42	59	99	107
Acquired in-process research and development	—	—	—	49
Restructuring	113	—	113	—
Total operating expenses	<u>274</u>	<u>181</u>	<u>464</u>	<u>369</u>
Operating income	16	332	250	467
Net interest and other	<u>(9)</u>	<u>(16)</u>	<u>(13)</u>	<u>(13)</u>
Income before income taxes	7	316	237	454
Income tax provision (benefit)	<u>(7)</u>	<u>11</u>	<u>12</u>	<u>80</u>
Net income	<u>\$ 14</u>	<u>\$ 305</u>	<u>\$ 225</u>	<u>\$ 374</u>
Net income per common share:				
Basic	<u>\$ 0.06</u>	<u>\$ 1.39</u>	<u>\$ 1.01</u>	<u>\$ 1.71</u>
Diluted	<u>\$ 0.06</u>	<u>\$ 1.35</u>	<u>\$ 1.00</u>	<u>\$ 1.66</u>
Common shares used in computing per share amounts:				
Basic	<u>222</u>	<u>220</u>	<u>222</u>	<u>219</u>
Diluted	<u>224</u>	<u>226</u>	<u>225</u>	<u>225</u>

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

	Three Months Ended		Six Months Ended	
	Dec. 26, 2008	Dec. 28, 2007	Dec. 26, 2008	Dec. 28, 2007
Cash flows from operating activities				
Net income	\$ 14	\$ 305	\$ 225	\$ 374
Adjustments to reconcile net income to net cash provided by operations:				
Depreciation and amortization	122	111	239	189
In-process research and development	—	—	—	49
Deferred income taxes	(7)	2	(7)	62
Stock-based compensation	11	9	21	17
Loss on investments	6	8	9	8
Non-cash portion of restructuring	80	—	80	—
Changes in operating assets and liabilities	74	84	34	39
Net cash provided by operating activities	<u>300</u>	<u>519</u>	<u>601</u>	<u>738</u>
Cash flows from investing activities				
Acquisitions, net of cash acquired	—	(4)	—	(915)
Capital expenditures	(140)	(169)	(302)	(332)
Investments, net	—	142	1	207
Net cash used in investing activities	<u>(140)</u>	<u>(31)</u>	<u>(301)</u>	<u>(1,040)</u>
Cash flows from financing activities				
Acquisition-related debt, net	—	(240)	—	510
Issuance of common stock under employee plans, net	10	22	9	32
Repurchase of common stock	—	—	(36)	(16)
Tax benefit from employee stock plans	(4)	—	4	—
Repayment of long-term debt	(3)	(4)	(5)	(7)
Net cash provided by (used in) financing activities	<u>3</u>	<u>(222)</u>	<u>(28)</u>	<u>519</u>
Net increase in cash and cash equivalents	163	266	272	217
Cash and cash equivalents, beginning of period	1,213	651	1,104	700
Cash and cash equivalents, end of period	<u>\$ 1,376</u>	<u>\$ 917</u>	<u>\$ 1,376</u>	<u>\$ 917</u>

WESTERN DIGITAL CORPORATION
 INVESTOR INFORMATION SUMMARY
 Q2 FY2009 (All amounts in millions, except ASPs and headcount)

	Q2 FY08	Q3 FY08	Q4 FY08	Q1 FY09	Q2 FY09
UNITS¹	34.2	34.5	35.2	39.4	35.5
REVENUE²	\$2,204	\$2,111	\$1,993	\$2,109	\$1,823
AVERAGE SELLING PRICE	\$61	\$59	\$56	\$53	\$51
GROSS MARGIN %	23.3%	22.6%	21.3%	20.1%	15.9%
REVENUE BY CHANNEL¹					
OEM	48%	50%	57%	56%	57%
DISTRIBUTORS	34%	34%	24%	26%	21%
RETAIL	18%	16%	19%	18%	22%
REVENUE BY GEOGRAPHY¹					
AMERICAS	32%	28%	29%	23%	23%
EUROPE	32%	31%	25%	29%	29%
ASIA	36%	41%	46%	48%	48%
REVENUE CONCENTRATION¹ 10 LARGEST CUSTOMERS	47%	48%	53%	51%	49%
WORLDWIDE HEADCOUNT	42,534	41,876	50,072	51,409	50,838
CASH RELATED INFORMATION					
CASH FLOW FROM OPERATIONS	\$519	\$431	\$230	\$301	\$300
CAPITAL EXPENDITURES	\$169	\$137	\$146	\$162	\$140
DEPRECIATION AND AMORTIZATION	\$111	\$111	\$113	\$117	\$122
DAYS SALES OUTSTANDING	45	44	46	47	46
INVENTORY METRICS					
RAW MATERIALS	\$171	\$153	\$144	\$129	\$124
WORK IN PROCESS	131	131	145	168	159
FINISHED GOODS	<u>157</u>	<u>171</u>	<u>167</u>	<u>180</u>	<u>163</u>
TOTAL INVENTORY, NET	\$459	\$455	\$456	\$477	\$446
INVENTORY TURNS	15	14	14	14	14

¹ Does not include media and substrates

² Revenue includes external sales of media and substrates of \$120 million in Q2'08, \$89 million in Q3'08; beginning Q4'08, external sales of media and substrates are no longer reported separately.