

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): April 24, 2008

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 April 24, 2008, Western Digital Corporation (“Western Digital”) announced financial results for the third fiscal quarter ended March 28, 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 March 28, 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 nine months ended March 28, 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 first quarter non-recurring charges for in-process research and development and taxes.

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 April 24, 2008 announcing financial results for the third fiscal quarter ended March 28, 2008.
- 99.2 Third Quarter Fiscal Year 2008 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)

Date: April 24, 2008

By: /s/ Raymond M. Bukaty
Raymond M. Bukaty
Senior Vice President, Administration,
General Counsel and Secretary

Exhibit Index

Exhibit Number	Description
99.1	Press Release issued by Western Digital Corporation on April 24, 2008 announcing financial results for the third fiscal quarter ended March 28, 2008.
99.2	Third Quarter Fiscal Year 2008 Western Digital Corporation Investor Information Summary.

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FOR IMMEDIATE RELEASE:

**WD[®] ANNOUNCES STRONG Q3 YEAR-ON-YEAR PERFORMANCE:
REVENUE OF \$2.1 BILLION UP 50 PERCENT,
EARNINGS PER SHARE OF \$1.23 UP 132 PERCENT**

Hard Drive Revenue Grows 43 Percent, Drive Shipments Up 41 Percent

LAKE FOREST, Calif. — Apr. 24, 2008 — Western Digital Corp. (NYSE: WDC) today reported revenue of \$2.1 billion, comprised of \$2.022 billion of hard drive revenue and \$89 million of revenue from media and substrate sales for the third fiscal quarter ending Mar. 28, 2008. Hard drive revenue grew by 43 percent over the prior-year comparative period on shipments of approximately 34.5 million units, a year-on-year increase of 41 percent in unit volume. Net income was \$280 million, or \$1.23 per share. Earnings per share grew 132 percent over the prior year. In the year-ago quarter, the company reported revenue of \$1.4 billion, unit shipments of 24.5 million and net income of \$121 million, or \$.53 per share.

The company generated \$431 million in cash from operations during the March quarter, ending with total cash, cash equivalents and short-term investments of \$949 million. During the quarter, the company repaid \$260 million of debt and repurchased \$44 million of common stock.

The company recently announced an additional authorization to repurchase \$500 million of its shares in the next five years.

“The hard drive market continued to demonstrate strong year-on-year unit growth of 16.2 percent in the March quarter, while exhibiting an expected seasonal decline of 8.6 percent from the exceptionally strong December quarter, as anticipated in our guidance for the quarter issued on January 23,” said John Coyne, WD president and chief executive officer. “Our March quarter revenues demonstrate strong customer preference for the WD value proposition of quality and reliability, a compelling product portfolio and responsive and timely availability, supported by a demonstrated willingness and capability to invest in the future. Our earnings performance is a result of healthy market demand, disciplined financial management, a competitive cost structure, and a committed team with a passion to succeed. We remain very enthusiastic about our opportunities in the fast-growing hard drive industry in the years ahead.”

For the nine-months ended Mar. 28, 2008, WD reported revenues of \$6.1 billion and hard drive shipments of 98.1 million, for increases of 48 percent and 37 percent, respectively, over the comparable prior-year period revenue of \$4.1 billion and unit shipments of 71.7 million. GAAP net income for the nine-months was \$654 million, or \$2.89 per share. Excluding \$49 million of non-recurring charges for acquired in-process research and development and \$60 million of non-recurring tax charges in the first quarter, non-GAAP net income for the current nine-month period was \$763 million, or \$3.38 per share. These current-period non-GAAP earnings reflect an approximately 117 percent increase over the prior-year nine-month net income and earnings per share amounts of \$352 million and \$1.56, respectively. There were no non-recurring items in the prior-year nine-month period and therefore there is no comparable non-GAAP measure for the prior year.

The investment community conference call to discuss these results and the company's outlook will be broadcast live over the Internet today at 2 p.m. PDT/5 p.m. EDT. 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: 800-294-3089 (toll-free)
+1-402-220-9768 (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 customer preference for WD's brand and value proposition, WD's opportunities in the hard drive industry and the growth of the hard drive industry. These forward-looking statements are based on 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: 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 desktop, mobile PC, enterprise, consumer electronics and external hard drive markets; pricing trends and fluctuations in average selling prices; failure to continue to effectively integrate WD's media and head technologies; changes in the availability and cost of commodity materials and specialized product components that WD does not make internally; negative impacts of the conditions in the global credit markets on our current investment portfolio; and other risks and uncertainties listed in WD's recent Form 10-Q filed with the SEC on February 5, 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>Mar. 28, 2008</u>	<u>Jun. 29, 2007</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 917	\$ 700
Short-term investments	32	207
Accounts receivable, net	1,014	697
Inventories	455	259
Other	211	166
Total current assets	2,629	2,029
Property and equipment, net	1,529	741
Goodwill and other intangible assets, net	187	4
Other assets	198	127
Total assets	<u>\$ 4,543</u>	<u>\$ 2,901</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,144	\$ 882
Customer advances	28	—
Accrued expenses	226	163
Accrued warranty	85	73
Current portion of long-term debt	11	12
Total current liabilities	1,494	1,130
Long-term debt	503	10
Other liabilities	129	45
Total liabilities	2,126	1,185
Shareholders' equity	2,417	1,716
Total liabilities and shareholders' equity	<u>\$ 4,543</u>	<u>\$ 2,901</u>

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

	Three Months Ended			Nine Months Ended	
	Mar. 28, 2008	Dec. 28, 2007	Mar. 30, 2007	Mar. 28, 2008	Mar. 30, 2007
Revenue, net	\$ 2,111	\$ 2,204	\$ 1,410	\$ 6,081	\$ 4,101
Cost of revenue	1,634	1,691	1,188	4,767	3,406
Gross margin	477	513	222	1,314	695
Operating expenses:					
Research and development	123	122	75	336	227
Selling, general and administrative	56	59	32	164	132
Acquired in-process research and development	—	—	—	49	—
Total operating expenses	179	181	107	549	359
Operating income	298	332	115	765	336
Net interest and other expense	(8)	(16)	7	(21)	20
Income before income taxes	290	316	122	744	356
Income tax provision	10	11	1	90	4
Net income	<u>\$ 280</u>	<u>\$ 305</u>	<u>\$ 121</u>	<u>\$ 654</u>	<u>\$ 352</u>
Net income per common share:					
Basic	<u>\$ 1.26</u>	<u>\$ 1.39</u>	<u>\$.55</u>	<u>\$ 2.97</u>	<u>\$ 1.60</u>
Diluted	<u>\$ 1.23</u>	<u>\$ 1.35</u>	<u>\$.53</u>	<u>\$ 2.89</u>	<u>\$ 1.56</u>
Common shares used in computing per share amounts:					
Basic	<u>222</u>	<u>220</u>	<u>220</u>	<u>220</u>	<u>219</u>
Diluted	<u>227</u>	<u>226</u>	<u>226</u>	<u>226</u>	<u>226</u>

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

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>Mar. 28, 2008</u>	<u>Mar. 30, 2007</u>	<u>Mar. 28, 2008</u>	<u>Mar. 30, 2007</u>
Cash flows from operating activities				
Net income	\$ 280	\$ 121	\$ 654	\$ 352
Adjustments to reconcile net income to net cash provided by operations:				
Depreciation and amortization	111	55	300	149
In-process research and development	—	—	49	—
Deferred income taxes	7	2	76	3
Stock-based compensation	10	13	27	34
Loss on short-term investments	3	—	12	—
Changes in operating assets and liabilities	20	(27)	51	(74)
Net cash provided by operating activities	<u>431</u>	<u>164</u>	<u>1,169</u>	<u>464</u>
Cash flows from investing activities				
Acquisitions, net of cash acquired	(10)	—	(925)	—
Capital expenditures	(137)	(70)	(469)	(238)
Short-term investments, net	15	(16)	222	(23)
Net cash used in investing activities	<u>(132)</u>	<u>(86)</u>	<u>(1,172)</u>	<u>(261)</u>
Cash flows from financing activities				
Acquisition-related debt, net	(260)	—	250	—
Issuance of common stock under employee plans	6	1	38	17
Repurchase of common stock	(44)	(29)	(60)	(29)
Repayment of long-term debt	(1)	(22)	(8)	(38)
Net cash provided by (used in) financing activities	<u>(299)</u>	<u>(50)</u>	<u>220</u>	<u>(50)</u>
Net increase in cash and cash equivalents	—	28	217	153
Cash and cash equivalents, beginning of period	917	676	700	551
Cash and cash equivalents, end of period	<u>\$ 917</u>	<u>\$ 704</u>	<u>\$ 917</u>	<u>\$ 704</u>

WESTERN DIGITAL CORPORATION
INVESTOR INFORMATION SUMMARY
Q3 FY2008 (All amounts in millions, except ASPs and headcount)

	Q3 FY07	Q4 FY07	Q1 FY08	Q2 FY08	Q3 FY08
HARD DRIVE UNITS:	24.5	24.9	29.4	34.2	34.5
REVENUE¹:	\$ 1,410	\$ 1,367	\$ 1,766	\$ 2,204	\$ 2,111
HARD DRIVE AVERAGE SELLING PRICE:	\$ 58	\$ 55	\$ 59	\$ 61	\$ 59
GROSS MARGIN %:	15.8%	15.0%	18.3%	23.3%	22.6%
REVENUE BY CHANNEL (HDD ONLY):					
OEM	47%	47%	50%	48%	50%
DISTRIBUTORS	34%	36%	31%	34%	34%
RETAIL	19%	17%	19%	18%	16%
REVENUE BY GEOGRAPHY (HDD ONLY):					
AMERICAS	36%	40%	34%	32%	28%
EUROPE	29%	26%	33%	32%	31%
ASIA	35%	34%	33%	36%	41%
REVENUE CONCENTRATION (HDD ONLY):					
10 LARGEST CUSTOMERS	46%	48%	46%	47%	48%
WORLDWIDE HEADCOUNT:	27,277	29,572	41,263	42,534	41,876
CASH RELATED INFORMATION:					
CASH FLOW FROM OPERATIONS	\$ 164	\$ 154	\$ 219	\$ 519	\$ 431
CAPITAL EXPENDITURES	\$ 70	\$ 85	\$ 163	\$ 169	\$ 137
DEPRECIATION AND AMORTIZATION	\$ 55	\$ 61	\$ 78	\$ 111	\$ 111
DAYS SALES OUTSTANDING	46	46	51	45	44
INVENTORY METRICS:					
RAW MATERIALS	\$ 12	\$ 12	\$ 165	\$ 171	\$ 153
WORK IN PROCESS	86	94	145	131	131
FINISHED GOODS	145	153	151	157	171
TOTAL INVENTORY, NET	\$ 243	\$ 259	\$ 461	\$ 459	\$ 455
INVENTORY TURNS	20	18	13	15	14

¹ Revenue includes external sales of media and substrates of \$40 million in Q1'08 and \$120 million in Q2'08, and \$89 million in Q3'08.