

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, 2007**

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 26, 2007, Western Digital Corporation (“Western Digital”) announced financial results for the third fiscal quarter ended March 30, 2007. 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 30, 2007 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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On April 26, 2007, Western Digital announced that Stephen D. Milligan will leave his position as Senior Vice President, Chief Financial Officer of Western Digital, and that his employment by Western Digital will terminate, effective August 31, 2007.

Western Digital’s Board of Directors has appointed Tim M. Leyden, age 55, to succeed Mr. Milligan as Chief Financial Officer of Western Digital, effective September 1, 2007 or earlier if Mr. Milligan resigns as Chief Financial Officer of Western Digital prior to August 31, 2007. Mr. Leyden, who will be joining Western Digital on May 7, 2007, will serve as Executive Vice President, Finance reporting to Mr. Milligan until he transitions to Executive Vice President, Chief Financial Officer.

Mr. Leyden will be employed by Western Digital on an “at will” basis. In connection with his employment, Mr. Leyden will receive an annual base salary of \$409,000 and his target bonus (as a percentage of annual base salary) under the Western Digital Corporation Incentive Compensation Plan will be 75%. Mr. Leyden will also receive a sign-on bonus of \$75,000, which Mr. Leyden is required to repay to Western Digital if he voluntarily terminates his employment prior to the completion of twelve months of employment with Western Digital.

In addition, management has recommended that the Compensation Committee approve the following awards to Mr. Leyden at its next regularly-scheduled meeting following Mr. Leyden’s employment date, each to be awarded under Western Digital’s Amended and Restated 2004 Performance Incentive Plan and pursuant to standard terms and conditions substantially in the forms previously filed with the Securities and Exchange Commission for awards to be made to Western Digital’s executive officers:

- A stock option to purchase 150,000 shares of Western Digital’s common stock, which will vest 25% on the first anniversary of its grant date and in substantially equal installments every three-month period thereafter;
- An award of 75,000 restricted stock units, which will vest in equal annual installments on each of the first, second and third anniversaries of its grant date; and
- A long-term performance cash award providing for a target cash bonus opportunity of \$210,000. The performance cash award corresponds to the performance period beginning June 30, 2007 and ending June 27, 2008 and will be subject to performance goals to be established and approved by the Compensation Committee.

Mr. Leyden is also generally entitled to participate in various Western Digital employee benefit plans, including the Western Digital Corporation Executive Severance Plan, effective February 16, 2006, and the Western Digital Corporation Amended and Restated Change of Control Severance Plan, effective March 29, 2001.

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Since December 2001, Mr. Leyden has served in senior finance capacities at Sage Software Inc. and Sage Software of California, subsidiaries of Sage Group PLC, a U.K. public company that supplies accounting and business management software to small and medium-sized businesses, including as Senior Vice President, Finance and Chief Financial Officer from May 2004 to April 2007 and as Vice President, Finance and Chief Financial Officer from December 2001 to May 2004. From January 2001 to December 2001, Mr. Leyden was a Principal for Pittiglio, Rabin, Todd & McGrath, an operational strategy consulting firm, where he worked as a management consultant to technology-based companies. Mr. Leyden also previously served in various worldwide finance, manufacturing and information technology capacities at Western Digital from 1983 to December 2000.

Item 7.01 Regulation FD Disclosure.

Western Digital issued a press release on April 26, 2007, announcing that Mr. Leyden will rejoin Western Digital to succeed Mr. Milligan as Chief Financial Officer. The press release making this announcement is attached hereto as Exhibit 99.3 and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 7.01, including Exhibit 99.3, shall not be deemed to be “filed” for purposes of Section 18 of 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 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 26, 2007 announcing financial results for the third fiscal quarter ended March 30, 2007.
- 99.2 Third Quarter Fiscal Year 2007 Western Digital Corporation Investor Information Summary.
- 99.3 Press Release issued by Western Digital Corporation on April 26, 2007 announcing that Tim Leyden will rejoin Western Digital to succeed Steve Milligan as Chief Financial Officer.

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<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release issued by Western Digital Corporation on April 26, 2007 announcing financial results for the third fiscal quarter ended March 30, 2007.
99.2	Third Quarter Fiscal Year 2007 Western Digital Corporation Investor Information Summary.
99.3	Press Release issued by Western Digital Corporation on April 26, 2007 announcing that Tim Leyden will rejoin Western Digital to succeed Steve Milligan as Chief Financial Officer.

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FOR IMMEDIATE RELEASE:

**WD ANNOUNCES Q3 REVENUE OF \$1.4 BILLION AND
NET INCOME OF \$.53 PER SHARE**

LAKE FOREST, Calif. — Apr. 26, 2007 — Western Digital Corp. (NYSE: WDC) today reported revenue of \$1.4 billion on shipments of approximately 24.5 million units, and net income of \$121 million, or \$.53 per share, for its third fiscal quarter ended Mar. 30, 2007. The third quarter results include a \$13 million recovery related to a receivable previously deemed uncollectible.

The March quarter results represented strong year-over-year performance, including growth in revenue and unit shipments of 25 percent and 30 percent, respectively. In the year-ago quarter, the company reported revenue of \$1.1 billion, unit shipments of 18.8 million and net income of \$102 million, or \$.45 per share.

Forty-seven percent of Q3 revenue was derived from newer market sources, while 53 percent came from hard drives configured into desktop PCs. This compares with a mix in the year-ago quarter of 29 percent newer markets versus 71 percent desktop PC revenue. The company's newer market revenue includes hard drives for notebook PCs, consumer electronics, enterprise applications, and WD branded products.

The company shipped 3.7 million 2.5-inch mobile drives and 2.6 million 3.5-inch units for the PVR/DVR market, compared with 1.4 million and 1.7 million, respectively, a year ago. The branded products business was another strong factor in the diversification of the business, accounting for approximately \$266 million in revenue. The company also grew unit shipments of its 3.5-inch enterprise-class drives, including the 10,000 RPM WD Raptor[®] and the 7,200 RPM WD RE.

The company generated \$164 million in cash from operations during the March quarter, ending with total cash and short-term investments of \$875 million. It also paid off its remaining \$19 million in bank debt and repurchased 1.5 million shares of common stock. Since May of 2004, the company has repurchased 11.7 million shares at a total cost of \$143 million.

“The industry saw seasonally softer demand and pricing in the March quarter and we were able to adjust to those challenges and post solid financial results, generate cash and grow in several of our newer markets,” said John Coyne, president and chief executive officer of WD. “We are pleased with our financial performance as it demonstrates our execution to the flexible WD business model and our ability to perform in a wide range of market environments.”

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: 866-439-3725 (toll-free) or +1-203-369-1044 (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 close-at-hand and secure from loss. WD applies its storage expertise to consumer products for external, portable and shared storage products.

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 a forward-looking statement regarding the company's ability to perform in a wide range of market environments. This forward-looking statement is based on the company's current expectations and is subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statement, including supply and demand conditions in the hard drive industry; actions by competitors; uncertainties related to the development and introduction of products based on new technologies and successful expansion into new hard drive markets; business conditions and growth in the notebook, consumer electronics, enterprise, branded products and desktop markets; pricing trends and fluctuations in average selling prices (ASPs); changes in the availability and cost of specialized product components; changes in product and customer mix; difficulties in reducing yield losses from complex manufacturing processes and new technologies; and other risks and uncertainties listed in the company's recent Form 10-Q filed with the SEC on February 7, 2007, to which your attention is directed. Readers are cautioned not to place undue reliance on this forward-looking statement, which speaks only as of the date hereof, and the company undertakes no obligation to update this forward-looking statement to reflect subsequent events or circumstances.

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Western Digital, WD, the WD logo, and WD Raptor are registered trademarks of Western Digital Technologies, Inc.

WESTERN DIGITAL CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions; unaudited)

	Mar. 30, 2007	Jun. 30, 2006
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 704	\$ 551
Short-term investments	171	148
Accounts receivable, net	715	481
Inventories	243	205
Other	100	107
Total current assets	1,933	1,492
Property and equipment, net	672	549
Other assets, net	48	32
Total assets	<u>\$ 2,653</u>	<u>\$ 2,073</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$ 851	\$ 632
Accrued expenses	125	131
Accrued warranty	74	71
Current portion of long-term debt	14	25
Total current liabilities	1,064	859
Long-term debt	13	19
Other liabilities	40	38
Total liabilities	1,117	916
Shareholders' equity	1,536	1,157
Total liabilities and shareholders' equity	<u>\$ 2,653</u>	<u>\$ 2,073</u>

WESTERN DIGITAL CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share amounts)
(unaudited)

	Three Months Ended			Nine Months Ended	
	Mar. 30, 2007	Dec. 29, 2006	Mar. 31, 2006	Mar. 30, 2007	Mar. 31, 2006
Revenue, net	\$ 1,410	\$ 1,428	\$ 1,129	\$ 4,101	\$ 3,256
Cost of revenue	1,188	1,173	911	3,406	2,631
Gross margin	222	255	218	695	625
Operating expenses:					
Research and development	75	77	79	227	226
Selling, general and administrative	32	56	39	132	127
Total operating expenses	107	133	118	359	353
Operating income	115	122	100	336	272
Net interest and other income	7	6	5	20	10
Income before income taxes	122	128	105	356	282
Income tax provision	1	—	3	4	7
Net income	<u>\$ 121</u>	<u>\$ 128</u>	<u>\$ 102</u>	<u>\$ 352</u>	<u>\$ 275</u>
Net income per common share:					
Basic	<u>\$.55</u>	<u>\$.58</u>	<u>\$.47</u>	<u>\$ 1.60</u>	<u>\$ 1.28</u>
Diluted	<u>\$.53</u>	<u>\$.57</u>	<u>\$.45</u>	<u>\$ 1.56</u>	<u>\$ 1.23</u>
Common shares used in computing per share amounts:					
Basic	<u>220</u>	<u>220</u>	<u>217</u>	<u>219</u>	<u>214</u>
Diluted	<u>226</u>	<u>226</u>	<u>227</u>	<u>226</u>	<u>223</u>

WESTERN DIGITAL CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions; unaudited)

	Three Months Ended		Nine Months Ended	
	Mar. 30, 2007	Mar. 31, 2006 ¹	Mar. 30, 2007	Mar. 31, 2006 ¹
Cash flows from operating activities				
Net income	\$ 121	\$ 102	\$ 352	\$ 275
Adjustments to reconcile net income to net cash provided by operations:				
Depreciation and amortization	55	42	149	116
Stock-based compensation	13	9	34	25
Deferred income taxes	2	—	3	—
Other non-cash items	—	(2)	—	5
Changes in operating assets and liabilities	(27)	(49)	(74)	(154)
Net cash provided by operating activities	<u>164</u>	<u>102</u>	<u>464</u>	<u>267</u>
Cash flows from investing activities				
Capital expenditures	(70)	(87)	(238)	(198)
Short-term investments, net	(16)	(36)	(23)	(18)
Net cash used in investing activities	<u>(86)</u>	<u>(123)</u>	<u>(261)</u>	<u>(216)</u>
Cash flows from financing activities				
Issuance of common stock under employee plans	1	38	17	68
Repurchase of common stock	(29)	(18)	(29)	(44)
Repayment of long-term debt	(22)	(6)	(38)	(17)
Net cash (used in) provided by financing activities	<u>(50)</u>	<u>14</u>	<u>(50)</u>	<u>7</u>
Net increase (decrease) in cash and cash equivalents	28	(7)	153	58
Cash and cash equivalents, beginning of period	676	550	551	485
Cash and cash equivalents, end of period	<u>\$ 704</u>	<u>\$ 543</u>	<u>\$ 704</u>	<u>\$ 543</u>

¹ Capital expenditures in the current period have been presented on a cash disbursements basis. The comparative amounts for capital expenditures and cash flows from operating activities have been reclassified to conform to the current period presentation.

WESTERN DIGITAL CORPORATION
INVESTOR INFORMATION SUMMARY
Q3 FY2007 (All amounts in millions, except ASPs and headcount)

	Q3 FY06	Q4 FY06	Q1 FY07	Q2 FY07	Q3 FY07
HARD DRIVE UNITS:	18.8	19.2	22.7	24.5	24.5
REVENUE:	\$ 1,129	\$ 1,086	\$ 1,264	\$ 1,428	\$ 1,410
AVERAGE SELLING PRICE:	\$ 60	\$ 56	\$ 56	\$ 58	\$ 58
GROSS MARGIN %:	19.3%	18.8%	17.3%	17.9%	15.8%
REVENUE BY CHANNEL:					
OEM	53%	54%	52%	46%	47%
DISTRIBUTORS	40%	37%	37%	37%	34%
RETAIL	7%	9%	11%	17%	19%
REVENUE BY GEOGRAPHY:					
AMERICAS	39%	38%	35%	38%	36%
EUROPE	27%	22%	28%	32%	29%
ASIA	34%	40%	37%	30%	35%
WORLDWIDE HEADCOUNT:	24,235	24,750	25,687	27,055	27,277
CASH RELATED INFORMATION:					
CASH FLOW FROM OPERATIONS ¹	\$ 102	\$ 100	\$ 115	\$ 184	\$ 164
CAPITAL EXPENDITURES ¹	\$ 87	\$ 70	\$ 59	\$ 110	\$ 70
DEPRECIATION AND AMORTIZATION	\$ 42	\$ 44	\$ 45	\$ 50	\$ 55
DAYS SALES OUTSTANDING	39	40	44	43	46
INVENTORY METRICS:					
RAW MATERIALS	\$ 16	\$ 23	\$ 33	\$ 17	\$ 12
WORK IN PROCESS	63	62	81	90	86
FINISHED GOODS	99	120	102	158	145
TOTAL INVENTORY, NET	\$ 178	\$ 205	\$ 216	\$ 265	\$ 243
INVENTORY TURNS	21	17	19	18	20

¹ Beginning with the second quarter of 2007, capital expenditures are presented on a cash disbursements basis. The comparative amounts for the third quarter of 2006 through the first quarter of 2007 for capital expenditures and cash flow from operations have been adjusted for consistency.

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FOR IMMEDIATE RELEASE:

**WD SETS CFO TRANSITION:
FORMER WD EXECUTIVE TIM LEYDEN REJOINING COMPANY TO
SUCCEED STEVE MILLIGAN**

LAKE FOREST, Calif. — Apr. 26, 2007 — Western Digital Corp. (NYSE: WDC) today announced a chief financial officer transition. Tim Leyden will rejoin the company on May 7, 2007 as executive vice president, finance, reporting to current CFO Steve Milligan. Leyden, who previously served at WD from 1983 through 2000, will succeed Milligan as CFO on September 1, 2007.

Leyden, 55, most recently served as senior vice president and chief financial officer of Sage Software Inc., a subsidiary of Sage Group PLC, a U.K. public company. He had joined Sage Software in 2001. He worked as a management consultant to technology based companies during 2001 with Pittiglio, Rabin, Todd & McGrath.

In his earlier career at WD, Leyden served in various worldwide finance, manufacturing, and information technology capacities in the company's storage controller, semiconductor and hard drive businesses, both in his native Ireland and in the U.S. During that time, he worked closely with John Coyne, who became CEO of WD in

January of this year. They worked together on the acquisition and integration teams when WD entered the hard drive business in 1988.

“I am delighted to welcome Tim back to the WD team and look forward to having him work closely with me in addressing the tremendous opportunities available to WD as the world’s second-largest supplier of hard drives,” said Coyne. “Tim’s deep knowledge of the company, its finances and operations and the hard drive industry will be major assets to me and to the entire WD organization.”

Milligan, 43, joined WD in 2002 as vice president, finance from Dell Inc., where he had served in several executive finance roles from 1997 to 2002. Milligan was named senior vice president and chief financial officer of WD in 2004. During his tenure as CFO, WD posted consistent profitability, grew its revenue approximately 70 percent, generated more than \$1.4 billion in cash from operations, and achieved industry-leading performance in asset efficiency.

“I am grateful to Steve Milligan for his excellent leadership and performance at WD,” said Coyne. “During his tenure here, WD diversified its revenue base into several new markets and fine-tuned a business model that has enabled us to post consistently outstanding financial performance. He also developed an outstanding finance organization. We appreciate his assistance in this transition and I wish him the best in his future endeavors.”

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 close-at-hand and secure from loss. WD applies its storage expertise to consumer products for external, portable and shared storage products.

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 a forward-looking statement regarding the tremendous opportunities available to the company as the world's second-largest supplier of hard drives. This forward-looking statement is based on the company's current expectations and is subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statement, including supply and demand conditions in the hard drive industry; actions by competitors; uncertainties related to the development and introduction of products based on new technologies and successful expansion into new hard drive markets; business conditions and growth in the notebook, consumer electronics, enterprise, branded products and desktop markets; pricing trends and fluctuations in average selling prices (ASPs); changes in the availability and cost of specialized product components; changes in product and customer mix; difficulties in reducing yield losses from complex manufacturing processes and new technologies; and other risks and uncertainties listed in the company's recent Form 10-Q filed with the SEC on February 7, 2007, to which your attention is directed. Readers are cautioned not to place undue reliance on this forward-looking statement, which speaks only as of the date hereof, and the company undertakes no obligation to update this forward-looking statement 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. All other trademarks herein are the property of their respective owner.