

SEAGATE TECHNOLOGY PLC
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)
(Unaudited)

	<u>June 28,</u> <u>2013</u>	<u>June 29,</u> <u>2012 (a)</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,708	\$ 1,707
Short-term investments	480	411
Restricted cash and investments	101	93
Accounts receivable, net	1,670	2,319
Inventories	854	909
Deferred income taxes	115	104
Other current assets	484	767
Total current assets	<u>5,412</u>	<u>6,310</u>
Property, equipment and leasehold improvements, net	2,269	2,284
Goodwill	476	463
Other intangible assets	405	506
Deferred income taxes	456	396
Other assets, net	225	147
Total Assets	<u>\$ 9,243</u>	<u>\$ 10,106</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 1,690	\$ 2,286
Accrued employee compensation	335	344
Accrued warranty	176	235
Accrued expenses	407	531
Current portion of long-term debt	3	—
Total current liabilities	<u>2,611</u>	<u>3,396</u>
Long-term accrued warranty	144	128
Long-term accrued income taxes	87	84
Other non-current liabilities	121	138
Long-term debt, less current portion	<u>2,774</u>	<u>2,863</u>
Total Liabilities	5,737	6,609
Equity:		
Total Equity	<u>3,506</u>	<u>3,497</u>
Total Liabilities and Equity	<u>\$ 9,243</u>	<u>\$ 10,106</u>

(a) The information in this column was derived from the Company's audited Consolidated Balance Sheet as of June 29, 2012.

SEAGATE TECHNOLOGY PLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share data)
(Unaudited)

	For the Three Months Ended		For the Fiscal Years Ended	
	June 28, 2013	June 29, 2012	June 28, 2013	June 29, 2012(a)
Revenue	\$ 3,425	\$ 4,482	\$ 14,351	\$ 14,939
Cost of revenue	2,486	2,998	10,411	10,255
Product development	294	269	1,133	1,006
Marketing and administrative	176	140	635	528
Amortization of intangibles	20	18	79	38
Restructuring and other, net	1	—	2	4
Total operating expenses	<u>2,977</u>	<u>3,425</u>	<u>12,260</u>	<u>11,831</u>
Income from operations	448	1,057	2,091	3,108
Interest income	2	2	8	8
Interest expense	(50)	(55)	(214)	(241)
Other, net	(97)	9	(54)	7
Other expense, net	<u>(145)</u>	<u>(44)</u>	<u>(260)</u>	<u>(226)</u>
Income before income taxes	303	1,013	1,831	2,882
Provision for (benefit from) income	(45)	—	(7)	20
Net income attributable to Seagate Technology plc	<u>\$ 348</u>	<u>\$ 1,013</u>	<u>\$ 1,838</u>	<u>\$ 2,862</u>
Net income per share attributable to Seagate Technology plc ordinary				
Basic	\$ 0.97	\$ 2.46	\$ 4.97	\$ 6.72
Diluted	0.94	2.37	4.81	6.49
Number of shares used in per share				
Basic	359	411	370	426
Diluted	371	427	382	441
Cash dividends declared per Seagate Technology plc ordinary share	\$ 0.38	\$ 0.25	\$ 1.40	\$ 0.86

(a) The information in this column was derived from the Company's audited Consolidated Statement of Operations for the year ended June 29, 2012.

SEAGATE TECHNOLOGY PLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	For the Fiscal Years	
	June 28, 2013	June 29, 2012(a)
OPERATING ACTIVITIES		
Net income	\$ 1,838	\$ 2,862
Adjustments to reconcile net income to net cash from		
Depreciation and amortization	873	814
Share-based compensation	76	51
Loss on redemption of debt	141	17
Gain on sale of investments	(61)	(12)
Gain on sale of property and equipment	(36)	(25)
Deferred income taxes	(70)	(28)
Other non-cash operating activities, net	12	7
Changes in operating assets and liabilities:		
Accounts receivable, net	661	(824)
Inventories	102	99
Accounts payable	(538)	157
Accrued employee compensation	(14)	145
Accrued expenses, income taxes and warranty	(170)	54
Vendor Receivables	272	(82)
Other assets and liabilities	(39)	27
Net cash provided by operating activities	<u>3,047</u>	<u>3,262</u>
INVESTING ACTIVITIES		
Acquisition of property, equipment and leasehold	(786)	(636)
Proceeds from the sale of property and equipment	29	20
Purchases of short-term investments	(351)	(454)
Sales of short-term investments	296	397
Maturities of short-term investments	38	119
Cash used in acquisition of LaCie S.A., net of cash acquired	(36)	—
Cash used in acquisition of Samsung HDD assets and	—	(561)
Other investing activities, net	(15)	1
Net cash used in investing activities	<u>(825)</u>	<u>(1,114)</u>
FINANCING ACTIVITIES		
Net proceeds from issuance of long-term debt	986	—
Repayments of long-term debt and capital lease obligations	(1,224)	(670)
Proceeds from issuance of ordinary shares under employee	259	344
Dividends to shareholders	(518)	(372)
Repurchases of ordinary shares	(1,654)	(2,426)
Escrow deposit for acquisition of noncontrolling shares of	(72)	—
Other financing activities, net	1	6
Net cash (used in) provided by financing activities	<u>(2,222)</u>	<u>(3,118)</u>
Effects of foreign currency exchange rate changes on cash and cash equivalents	1	—
(Decrease) increase in cash and cash equivalents	1	(970)
Cash and cash equivalents at the beginning of the year	<u>1,707</u>	<u>2,677</u>
Cash and cash equivalents at the end of the year	<u>\$ 1,708</u>	<u>\$ 1,707</u>

(a) The information in this column was derived from the Company's audited Consolidated Statement of Cash Flows for the year ended June 29, 2012.

Use of non-GAAP financial information

To supplement the preliminary financial information presented in accordance with generally accepted accounting principles (GAAP), the Company provides non-GAAP measures of gross margin which are adjusted from results based on GAAP to exclude certain expenses. These non-GAAP financial measures are provided to enhance the user's overall understanding of the Company's current financial performance and its prospects for the future. Specifically, the Company believes non-GAAP results provide useful information to both management and investors as these non-GAAP results exclude certain expenses that the Company believes are not indicative of its core operating results and because it is consistent with the financial models and estimates published by financial analysts who follow the Company.

These non-GAAP results are some of the primary measurements management uses to assess the Company's performance, allocate resources and plan for future periods. Reported non-GAAP results should only be considered as supplemental to results prepared in accordance with GAAP, and not considered as a substitute for, or superior to, GAAP results. These non-GAAP measures may differ from the non-GAAP measures reported by other companies in the Company's industry.

SEAGATE TECHNOLOGY PLC
ADJUSTMENTS TO GAAP NET INCOME, DILUTED NET INCOME PER SHARE AND FREE CASH
FLOW
(In millions, except per share amounts)
(Unaudited)

	For the Three Months Ended June 28, 2013	For the Fiscal Year Ended June 28, 2013
Reconciliation of GAAP Net Income:		
GAAP Net Income	\$ 348	\$ 1,838
Non-GAAP adjustments:		
Cost of revenue	A 19	82
Product development	B 2	20
Marketing and administrative	C 4	(4)
Amortization of intangibles	D 20	79
Restructuring and other, net	D 1	3
Other expense, net	E 106	63
Provision for (benefit from) income taxes	F (53)	(53)
Non-GAAP net income	<u>\$ 447</u>	<u>\$ 2,028</u>
Reconciliation of GAAP Diluted Net Income		
GAAP	\$ 0.94	\$ 4.81
Non-GAAP	\$ 1.20	\$ 5.31
Shares used in diluted net income per share calculation	371	382
Reconciliation of Free Cash Flow:		
GAAP operating cash flow	\$ 394	\$ 3,047
Less: acquisition of property, equipment and leasehold improvements	(128)	(786)
Free cash flow	<u>\$ 266</u>	<u>\$ 2,261</u>

A For the three months ended June 28, 2013, Cost of revenue on a GAAP basis totaled \$2,486 million, while non-GAAP Cost of revenue, which excludes the impact of certain adjustments, was \$2,467 million. These non-GAAP adjustments include amortization of intangibles and other acquisition related expenses associated with the December 2011 acquisition of Samsung Electronics Co., Ltd's hard disk drive business (the "Samsung HDD business").

For the fiscal year ended June 28, 2013, Cost of revenue on a GAAP basis totaled \$10,411 million, while non-GAAP Cost of revenue, which excludes the impact of certain adjustments, was \$10,329 million. These non-GAAP adjustments include amortization of intangibles, other acquisition related expenses associated with the Samsung HDD business and the August 2012 acquisition of LaCie S.A. ("LaCie") as well as the impact of the 2013 voluntary early retirement program ("2013 VERP") offered by the Company to certain of its employees in the U.S. in January 2013.

B For the three months and fiscal year ended June 28, 2013, Product development expense has been adjusted on a non-GAAP basis to exclude the impact of acquisition and integration costs associated with the Samsung HDD business. For the fiscal year ended June 28, 2013, Product development expense has also been adjusted on a non-GAAP basis to exclude the impact of the 2013 VERP.

C For the three months and fiscal year ended June 28, 2013, Marketing and administrative expense has been adjusted on a non-GAAP basis to exclude the impact of acquisition and integration costs associated with the Samsung HDD business and LaCie. For the fiscal year ended

June 28, 2013, Marketing and administrative expense has also been adjusted on a non-GAAP basis to exclude the net impact of legal cost reimbursements and the 2013 VERP.

D For the three months and fiscal year ended June 28, 2013, Amortization of intangibles related to our Samsung HDD business and LaCie acquisitions and Restructuring and other, net, primarily related to prior year restructuring plans, have been excluded on a non-GAAP basis.

E For the three months and fiscal year ended June 28, 2013, Other expense has been adjusted on a non-GAAP basis primarily to exclude the net impact of losses recognized on the early redemption and repurchase of debt, partially offset by gains recognized upon sales of investments. For the fiscal year ended June 28, 2013, Other expense has also been adjusted on a non-GAAP basis primarily to exclude a gain recognized from an insurance reimbursement related to the severe flooding in Thailand.

F For the three months and fiscal year ended June 28, 2013, non-GAAP net income excludes tax items related to the release of valuation allowance on U.S. deferred tax assets associated with increases in the Company's forecasted U.S. taxable income.