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

(Unaudited)

	June 28, 2013	June 29, 2012 (a)	
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	5,412	6,310	
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	\$ 9,243	\$ 10,106	
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	2,611	3,396	
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	2,774	2,863	
Total Liabilities	5,737	6,609	
Equity:			
Total Equity	3,506	3,497	
Total Liabilities and Equity	\$ 9,243	\$ 10,106	

<sup>(</sup>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		2,977		3,425		12,260		11,831
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		(145)		(44)		(260)	_	(226)
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	\$	348	\$	1,013	\$	1,838	\$	2,862
reemotogy pre	Ψ		Ψ	1,013	=	1,000	<u>Ψ</u>	2,002
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
recimology pie ordinary snare	Ψ	0.50	Ψ	0.23	Ψ	1.40	Ψ	0.00

<sup>(</sup>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)

OPERATING ACTIVITIES         June 28, 2012(a)           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         (61)         (12)           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:         102         99           Accounts payable         (53)         157           Accrued emplovee compensation         (14)         145           Accrued emplovee compensation         (14)         145           Accrued emplovee compensation         (14)         145           Accrued emplovee compensation         (17)         54           Accrued emplovee compensation         (14)         145           Accrued emplovee compensation         (14)         145           Accrued emplovee compensation         (14)         145           Accrued spenses, income taxes and warrant		For the Fiscal Years					
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:         661         (824)           Accounts receivable, net         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         3,047         3,262           INVESTING ACTIVITIES         3         (39)         27           Acquisition of property, equipment and leasehold         (786)         (636)		June 28,			June 29,		
Depreciation and amortization   Share-based compensation   76   51	Net income	\$	1,838	\$	2,862		
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:         4         12         99           Accounts receivable, net         102         99           Accounts payable         (538)         157           Accrued employee compensation         (14)         145           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         3,047         3,262           INVESTING ACTIVITIES         3,047         3,262           INVESTING ACTIVITIES         4         454           Acquisition of property, equipment and leasehold         (786)         (636)           Proceeds from the sale of propert	•		873		814		
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:							
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:         661         (824)           Accounts receivable, net         102         99           Accounts payable         (538)         157           Accrued emplovee 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         3,047         3,262           INVESTING ACTIVITIES         3,047         3,262           INVESTING ACTIVITIES         4         4           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         38         119           Cash used in a					_		
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:         8         24           Accounts receivable, net         661         (824)           Inventories         102         99           Accounts payable         (5538)         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         3,047         3,262           INVESTING ACTIVITIES         3,047         3,262           INVESTING ACTIVITIES         4,04         4,04           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         38         119           Cash used in acquisition o							
Deferred income taxes         (70)         (28)           Other non-cash operating activities, net         12         7           Changes in operating assets and liabilities:         8         2           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         3,047         3,262           INVESTING ACTIVITIES         3,047         3,262           INVESTING ACTIVITIES         454         454           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         38         119           Cash used in acquisition of LaCie S.A., net of cash acquired         (36)         —           Cash used i							
Other non-cash operating activities, net         12         7           Changes in operating assets and liabilities:         661         (824)           Accounts receivable, net         102         99           Accounts payable         (538)         157           Accrued emplovee 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         3,047         3,262           INVESTING ACTIVITIES         3,047         3,262           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         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         (825)							
Changes in operating assets and liabilities:         661         (824)           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         3,047         3,262           INVESTING ACTIVITIES         3,047         3,262           INVESTING ACTIVITIES         4636         (636)           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         38         119           Cash used in acquisition of LaCie S.A., net of cash acquired         (36)         —           Cash used in acquisition of LaCie S.A. net of cash acquired         (36)         —           Cash used in investing activities         (825)         (1,114) </td <td></td> <td></td> <td></td> <td></td> <td>_</td>					_		
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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         3,047         3,262           INVESTING ACTIVITIES         3,047         3,262           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         (825)         (1,114)           FINANCING ACTIVITIES         Proceeds from issuance of long-term debt         986         —           Repayments of long-term debt and capital lease obligations         (1,224)         (670) <td< td=""><td></td><td></td><td></td><td></td><td></td></td<>							
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         3,047         3,262           INVESTING ACTIVITIES         3,047         3,262           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         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         (825)         (1,114)           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         25							
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FINANCING ACTIVITIES Net proceeds from issuance of long-term debt Repayments of long-term debt and capital lease obligations Proceeds from issuance of ordinary shares under employee Dividends to shareholders Repurchases of ordinary shares Repurchases of ordinary shares Repurchases of ordinary shares Escrow deposit for acquisition of noncontrolling shares of Other financing activities, net  Net cash (used in) provided by financing activities Effects of foreign currency exchange rate changes on cash and cash equivalents  (Decrease) increase in cash and cash equivalents Cash and cash equivalents at the beginning of the year  (1,224) (670) (518) (372) (2,426) (2,426) (2,426) (3,118) (372) (72) (72) (72) (73) (74) (75) (75) (76) (77) (77) (77) (77) (77) (77) (77	Other investing activities, net		(15)		1		
Net proceeds from issuance of long-term debt Repayments of long-term debt and capital lease obligations Proceeds from issuance of ordinary shares under employee Dividends to shareholders Repurchases of ordinary shares Repurchases of ordinary shares Escrow deposit for acquisition of noncontrolling shares of Other financing activities, net  Net cash (used in) provided by financing activities  Effects of foreign currency exchange rate changes on cash and cash equivalents  (Decrease) increase in cash and cash equivalents Cash and cash equivalents at the beginning of the year  986 — (1,224) (670) (1,224) (670) (1,654) (2,426) (2,426) (2,426) (2,426)  1 6  (2,222) (3,118)  1 970) (970)	Net cash used in investing activities		(825)		(1,114)		
Repayments of long-term debt and capital lease obligations Proceeds from issuance of ordinary shares under employee Dividends to shareholders Repurchases of ordinary shares (518) Repurchases of ordinary shares (1,654) Escrow deposit for acquisition of noncontrolling shares of Other financing activities, net  Net cash (used in) provided by financing activities  Effects of foreign currency exchange rate changes on cash and cash equivalents  (Decrease) increase in cash and cash equivalents Cash and cash equivalents at the beginning of the year  (670)  (518) (372) (2,426) (2,426) (2,426) (3,118)  (372) (472) (572) (573)  (772) (772) (772) (773) (774) (775) (776)			004				
Proceeds from issuance of ordinary shares under employee Dividends to shareholders Repurchases of ordinary shares (518) (372) Repurchases of ordinary shares (1,654) (2,426) Escrow deposit for acquisition of noncontrolling shares of Other financing activities, net  Net cash (used in) provided by financing activities (2,222) (3,118)  Effects of foreign currency exchange rate changes on cash and cash equivalents (Decrease) increase in cash and cash equivalents Cash and cash equivalents at the beginning of the year  1,707 2,677							
Dividends to shareholders  Repurchases of ordinary shares  Escrow deposit for acquisition of noncontrolling shares of Other financing activities, net  Net cash (used in) provided by financing activities  Effects of foreign currency exchange rate changes on cash and cash equivalents  (Decrease) increase in cash and cash equivalents  Cash and cash equivalents at the beginning of the year  (518) (372) (2,426) (2,426) (72)  — (3,118)  1 — (970) (970)					, ,		
Repurchases of ordinary shares Escrow deposit for acquisition of noncontrolling shares of Other financing activities, net  Net cash (used in) provided by financing activities  Effects of foreign currency exchange rate changes on cash and cash equivalents  (Decrease) increase in cash and cash equivalents  Cash and cash equivalents at the beginning of the year  (1,654) (2,426)  (2,426)  (2,426)  (3,118)  (2,222) (3,118)							
Escrow deposit for acquisition of noncontrolling shares of Other financing activities, net  Net cash (used in) provided by financing activities  Effects of foreign currency exchange rate changes on cash and cash equivalents  (Decrease) increase in cash and cash equivalents  Cash and cash equivalents at the beginning of the year  (72)  (2,222)  (3,118)  1  — (970)  2,677							
Other financing activities, net 1 6  Net cash (used in) provided by financing activities (2,222) (3,118)  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 1,707 2,677					(2,426)		
Effects of foreign currency exchange rate changes on cash and cash equivalents  (Decrease) increase in cash and cash equivalents  Cash and cash equivalents at the beginning of the year  1,707  2,677			(72)		6		
cash and cash equivalents  (Decrease) increase in cash and cash equivalents Cash and cash equivalents at the beginning of the year  1 (970) 2,677	Net cash (used in) provided by financing activities		(2,222)		(3,118)		
(Decrease) increase in cash and cash equivalents Cash and cash equivalents at the beginning of the year  1 (970) 2,677			1				
Cash and cash equivalents at the beginning of the year 1,707 2,677				_	(070)		
Cash and cash equivalents at the end of the year \$ 1,708 \$ 1,707		_	_				
	Cash and cash equivalents at the end of the year	\$	1,708	\$	1,707		

<sup>(</sup>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)

	N	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	В	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	\$	447	\$	2,028	
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		(4.5.3)		(70.5)	
leasehold improvements	_	(128)		(786)	
Free cash flow	\$	266	\$	2,261	

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.