

Supplemental Financial Information

Fiscal Q4 2015

July 31, 2015

<http://www.seagate.com/investors/>

Safe Harbor Statement

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934, each as amended, including, in particular, statements about our plans, strategies and prospects and estimates of industry growth for the fiscal quarter ending October 2, 2015 and the fiscal year ending July 1, 2016 and beyond. These statements identify prospective information and may include words such as “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “projects” and similar expressions. These forward-looking statements are based on information available to the Company as of the date of this document and are based on management’s current views and assumptions. These forward-looking statements are conditioned upon and also involve a number of known and unknown risks, uncertainties, and other factors that could cause actual results, performance or events to differ materially from those anticipated by these forward-looking statements. Such risks, uncertainties, and other factors may be beyond the Company’s control and may pose a risk to the Company’s operating and financial condition. Such risks and uncertainties include, but are not limited to: the uncertainty in global economic conditions, as consumers and businesses may defer purchases in response to tighter credit and financial news; the impact of the variable demand and adverse pricing environment for disk drives, particularly in view of current business and economic conditions; the Company’s ability to successfully qualify, manufacture and sell its disk drive products in increasing volumes on a cost-effective basis and with acceptable quality, particularly the new disk drive products with lower cost structures; the impact of competitive product announcements; currency fluctuations that may impact our margins and international sales; possible excess industry supply with respect to particular disk drive products; and disruptions to our supply chain or production capabilities. Information concerning risks, uncertainties and other factors that could cause results to differ materially from the expectations described in this document is contained in the Company’s Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on August 7, 2014, the “Risk Factors” section of which is incorporated into this document by reference and other documents filed with or furnished to the Securities and Exchange Commission. These forward-looking statements should not be relied upon as representing the Company’s views as of any subsequent date and the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date they were made.

Use of Non-GAAP Financial Information

To supplement the condensed consolidated financial statements presented in accordance with generally accepted accounting principles (GAAP), the Company provides non-GAAP measures of net income, diluted net income per share, gross margin, gross margin as a percentage of revenue, operating margin, operating expenses, and operating income which are adjusted from results based on GAAP to exclude certain expenses, gains and losses. These non-GAAP financial measures are provided to enhance the user's overall understanding of the Company's current financial performance and our 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, gains and losses that we believe are not indicative of our core operating results and because they are consistent with the financial models and estimates published by financial analysts who follow the Company. The Company also presents free cash flow, which is a non-GAAP measure calculated as the sum of net cash provided by operating activities, less acquisition of property, equipment and leasehold improvements. Free cash flow does not reflect all of the Company's expenses and non-cash items and does not reflect the Company's uses of cash in financing and investment activities.

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 our industry.

Financial Highlights

Fiscal Year 2015

Achieved revenue of **\$13.7 Billion**

Non-GAAP gross margin of **28.1%**

Non-GAAP diluted EPS of **\$4.57**

Paid cash dividend of **\$2.05** per share

Generated **\$2.6 billion** in operating cash flow and **\$1.9 billion** in free cash flow

Returned **\$1.8 billion** to shareholders in the form of dividends and share redemptions

Raised **\$1.2 billion** in investment grade debt

Financial Highlights

Fiscal Q4'15

Achieved revenue of **\$2.9 Billion**

Average capacity per drive grew **4%** sequentially and **22%** year-over-year to **1,148 GB**

Non-GAAP gross margin of **27.2%**

Non-GAAP diluted EPS of **\$0.77**

Paid quarterly cash dividend of **\$0.54** per share

Product and Technology Development Highlights

4TB in 2.5" - announced 4TB Portable external hard drives, the first 4TB USB-powered single drive solutions to come in 2.5" cases in the world.

Backup Plus & OneDrive – announced that Backup Plus family of external storage offerings will now include 200GB of OneDrive cloud storage.

Cray & Seagate's High Performance Computing Storage – announced that four Cray Inc. customers will be among the first to implement Seagate's latest high performance computing storage technology. Combined, the implementations of these four customers in the government, weather, oil and gas, and university sectors will consume more than 120 petabytes of storage capacity.

HAMR Demo – demonstrated HAMR technology at the IEEE International Magnetics Conference in Beijing, China.

Gartner Recognition – Seagate named "Visionary" in Gartner's 2015 Magic Quadrant for Disaster Recovery as a Service (DRaaS), and listed in Gartner's Supply Chain Top 25 Rankings for second consecutive year.

The Shugart Opening – opened our new facility in Singapore to focus on R&D for 2.5-inch hard drives and firmware for the mobile market.

Quarterly Financial Trends

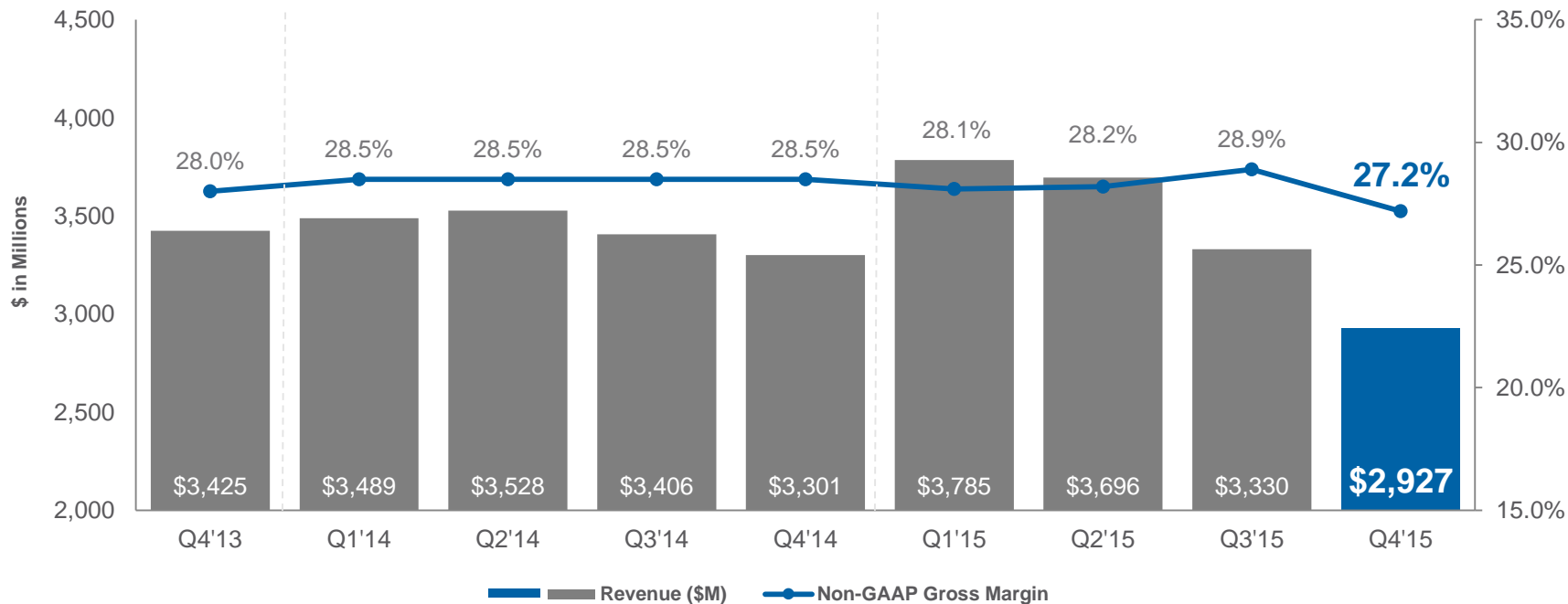
| | Q4'13 | Q1'14 | Q2'14 | Q3'14 | Q4'14 | Q1'15 | Q2'15 ² | Q3'15 | Q4'15 |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------------------|--------|--------|
| ASP ³ | \$63 | \$62 | \$62 | \$61 | \$60 | \$60 | \$61 | \$62 | \$60 |
| Revenue (\$M) | 3,425 | 3,489 | 3,528 | 3,406 | 3,301 | 3,785 | 3,696 | 3,330 | 2,927 |
| Gross Margin % | 27.4% | 28.0% | 28.0% | 28.2% | 28.0% | 27.8% | 27.8% | 28.7% | 26.5% |
| Operating Expenses (\$M) | 491 | 497 | 543 | 515 | 515 | 595 | (26) | 612 | 570 |
| Operating Income (\$M) | 448 | 478 | 444 | 444 | 410 | 456 | 1,053 | 343 | 206 |
| Net Income (\$M) | 348 | 427 | 428 | 395 | 320 | 381 | 933 | 291 | 138 |
| Basic EPS | \$0.97 | \$1.20 | \$1.27 | \$1.21 | \$0.98 | \$1.17 | \$2.84 | \$0.90 | \$0.44 |
| Diluted EPS | \$0.94 | \$1.16 | \$1.24 | \$1.17 | \$0.95 | \$1.13 | \$2.78 | \$0.88 | \$0.43 |
| Non-GAAP Results¹ | | | | | | | | | |
| Gross Margin % | 28.0% | 28.5% | 28.5% | 28.5% | 28.5% | 28.1% | 28.2% | 28.9% | 27.2% |
| Operating Expenses (\$M) | 464 | 469 | 496 | 470 | 509 | 550 | 546 | 555 | 515 |
| Operating Income (\$M) | 494 | 526 | 508 | 500 | 430 | 513 | 495 | 408 | 280 |
| Net Income (\$M) | 447 | 473 | 455 | 453 | 370 | 453 | 452 | 357 | 250 |
| Basic EPS | \$1.25 | \$1.32 | \$1.35 | \$1.39 | \$1.13 | \$1.39 | \$1.38 | \$1.11 | \$0.79 |
| Diluted EPS | \$1.20 | \$1.29 | \$1.32 | \$1.34 | \$1.10 | \$1.34 | \$1.35 | \$1.08 | \$0.77 |
| End of Qtr Actual Share Count (M) | 359 | 359 | 328 | 326 | 327 | 327 | 329 | 318 | 315 |
| Diluted Shares O/S for EPS (M) | 371 | 368 | 346 | 338 | 337 | 337 | 336 | 330 | 323 |
| Dividend Per Share Paid ¹ | \$0.38 | \$0.38 | \$0.43 | \$0.43 | \$0.43 | \$0.43 | \$0.54 | \$0.54 | \$0.54 |
| Shares Repurchased (M) | 1 | 4 | 33 | 4 | 0.5 | 3 | 0.3 | 12 | 3.2 |
| Fiscal YTD Shares Repurchased (M) | 54 | 4 | 37 | 41 | 41 | 3 | 3 | 15.3 | 18.5 |

1. See 'GAAP to Non-GAAP Reconciliations' slide for GAAP reconciliation.

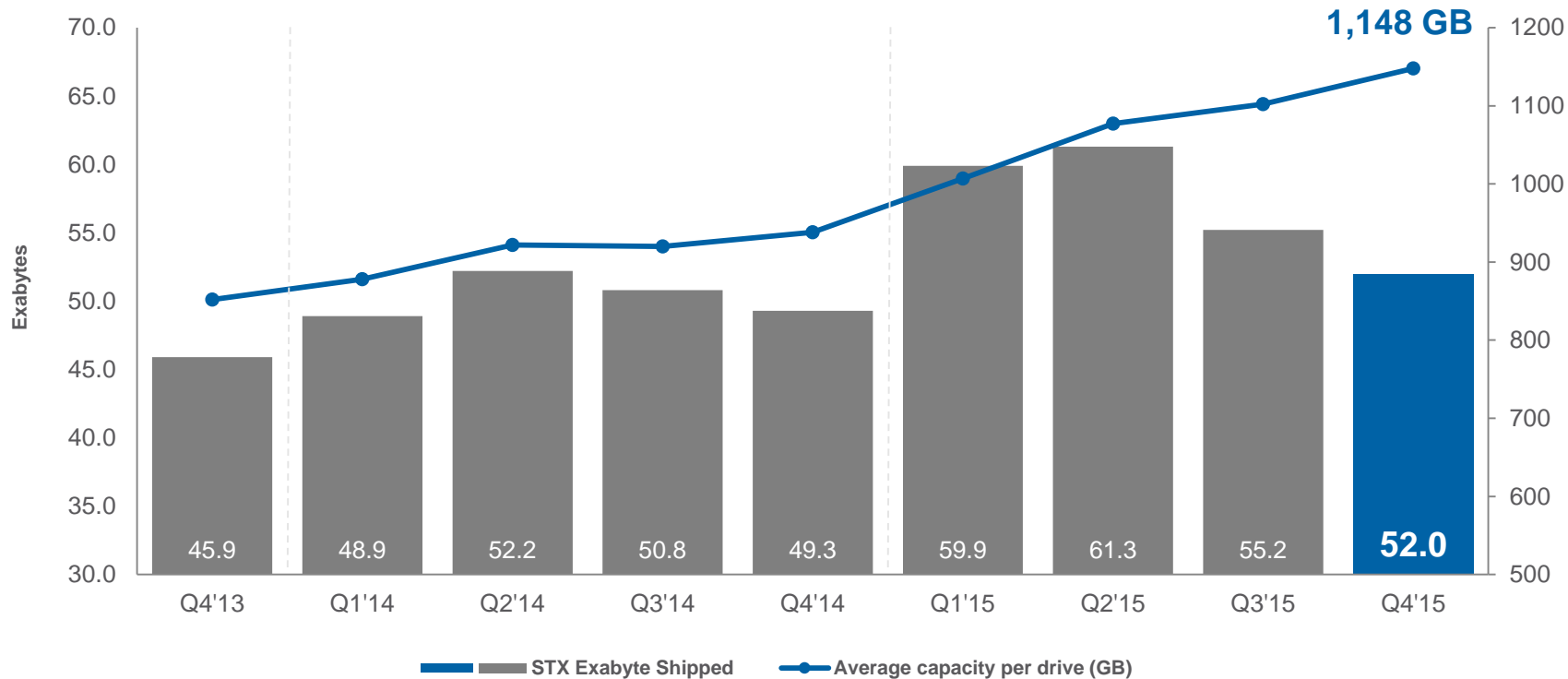
2. See 'Arbitration Award Reconciliation' slide for impact of the arbitration award on the Statement of Operations.

3. HDD Only, excluding storage systems.

Revenue and Non-GAAP Gross Margin



Exabytes Shipped and Average Capacity per Drive



Product Mix Trends

| | Q4'13 | Q1'14 | Q2'14 | Q3'14 | Q4'14 | Q1'15 | Q2'15 | Q3'15 | Q4'15 |
|--|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|
| Enterprise Units (M) | | | | | | | | | |
| Enterprise | 8.2 | 8.1 | 7.8 | 7.7 | 7.4 | 8.8 | 9.1 | 9.1 | 8.2 |
| Compute Units (M) | | | | | | | | | |
| Desktop | 18.6 | 19.1 | 19.2 | 19.8 | 18.4 | 18.7 | 16.0 | 14.3 | 11.9 |
| Notebook | 16.1 | 17.2 | 16.9 | 16.4 | 16.8 | 20.2 | 19.7 | 16.8 | 14.6 |
| Non Compute Units (M) | | | | | | | | | |
| Consumer Electronics | 6.1 | 6.2 | 6.7 | 5.4 | 5.1 | 6.0 | 6.1 | 4.8 | 5.8 |
| Branded | 4.8 | 5.1 | 6.2 | 5.9 | 4.8 | 5.7 | 6.0 | 5.1 | 4.7 |
| Total HDD Units (M) | 53.9 | 55.7 | 56.6 | 55.2 | 52.5 | 59.5 | 56.9 | 50.1 | 45.3 |
| Exabytes Shipped (HDD Only) | 45.9 | 48.9 | 52.2 | 50.8 | 49.3 | 59.9 | 61.3 | 55.2 | 52.0 |
| Average Capacity per Drive (GB) | 852 | 878 | 922 | 920 | 938 | 1,007 | 1,077 | 1,102 | 1,148 |

Cash Flow and Operational Trends

| | Q4'13 | Q1'14 | Q2'14 | Q3'14 | Q4'14 | Q1'15 | Q2'15 ⁵ | Q3'15 | Q4'15 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|--------------------|---------------|---------------|
| Cash ¹ (\$M) | 2,289 | 2,521 | 2,343 | 2,310 | 2,658 | 2,205 | 3,306 | 2,614 | 2,492 |
| Debt (\$M) | 2,777 | 2,773 | 3,572 | 3,514 | 3,920 | 3,809 | 3,932 | 3,931 | 4,155 |
| Cash Flow From Operations (\$M) | 388 | 682 | 856 | 443 | 577 | 602 | 1,443 | 374 | 228 |
| Capital Expenditures (\$M) ² | 128 | 161 | 143 | 124 | 131 | 172 | 215 | 159 | 201 |
| Free Cash Flow (\$M) ³ | 260 | 521 | 713 | 319 | 446 | 430 | 1,228 | 215 | 27 |
| Cash Flow From Operations (\$M) | 388 | 682 | 856 | 443 | 577 | 602 | 1,443 | 374 | 228 |
| Shares Repurchased (\$M) | 42 | 182 | 1,520 | 184 | 26 | 183 | 18 | 706 | 180 |
| Dividends (\$M) | 137 | 135 | 142 | 140 | 140 | 140 | 177 | 176 | 171 |
| YTD Percent Return of OCF ⁴ | 71% | 46% | 129% | 116% | 97% | 54% | 25% | 58% | 66% |
| Days Sales Outstanding | 44 | 42 | 42 | 44 | 48 | 49 | 45 | 48 | 54 |
| Days Inventory Outstanding | 31 | 32 | 34 | 31 | 38 | 38 | 38 | 42 | 42 |
| Days Payables Outstanding | 62 | 61 | 56 | 50 | 60 | 62 | 59 | 65 | 64 |
| Cash Conversion Cycle | 14 | 13 | 19 | 25 | 26 | 25 | 24 | 25 | 32 |
| Worldwide Headcount | 53,806 | 53,002 | 52,650 | 51,099 | 52,594 | 54,049 | 54,840 | 53,602 | 52,346 |

1. Includes cash, cash equivalents, restricted cash and short term investments.

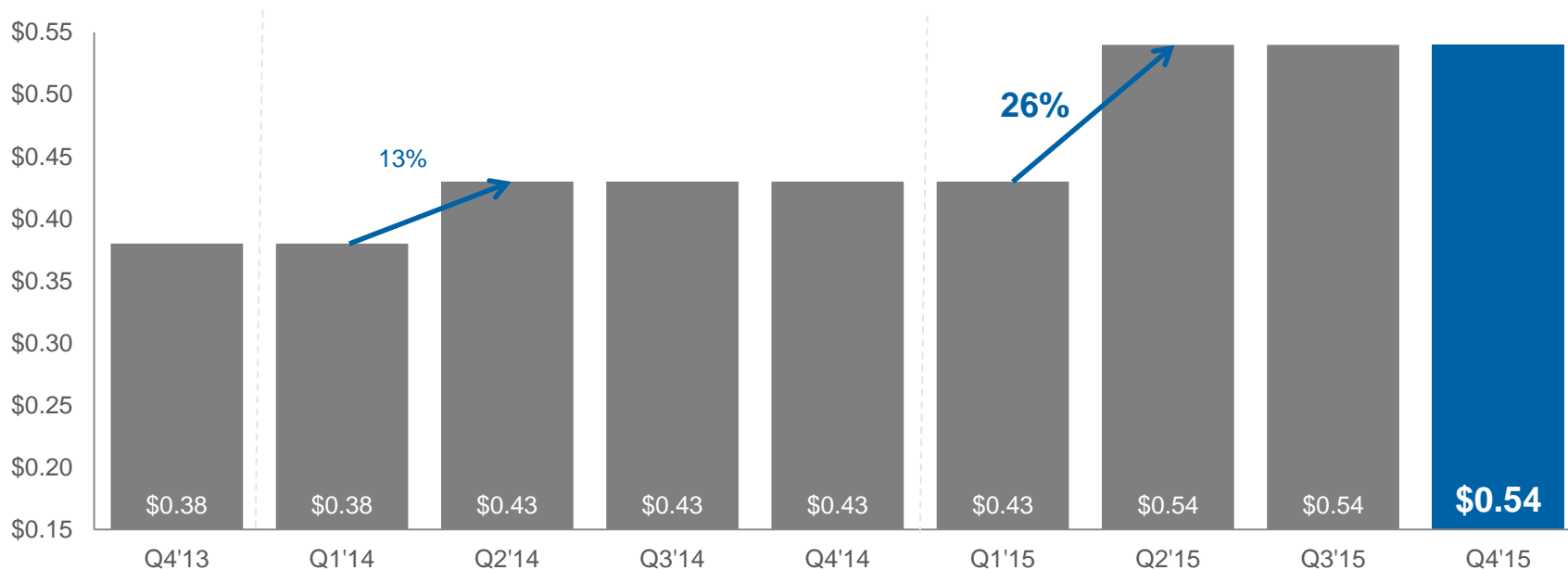
2. Cash paid for the acquisition of property, equipment, and leasehold improvements.

3. Free cash flow is a non-GAAP measure defined as cash flow from operations less capital expenditures.

4. Based on Fiscal Year.

5. Cash flow amounts include the impact of the arbitration award. See 'Arbitration Award Reconciliation' slide.

Dividend per Share Paid History

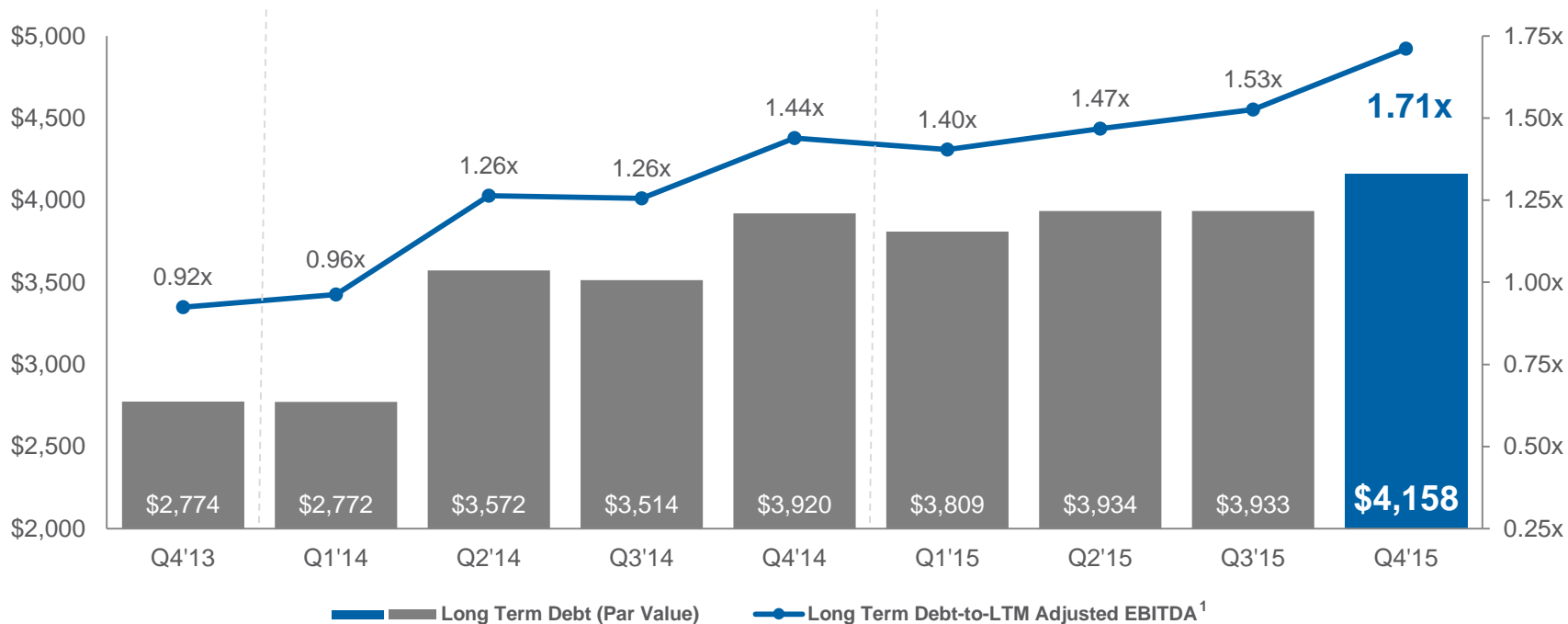


Long Term Debt Profile

| Facility | Rate | Due | Par Value \$M |
|--------------|--------------------------|---------------|----------------|
| Senior Notes | 3.75% | November 2018 | \$800 |
| Senior Notes | 7.00% | November 2021 | \$158 |
| Senior Notes | 4.75% | June 2023 | \$1,000 |
| Senior Notes | 4.75% | January 2025 | \$1,000 |
| Senior Notes | 4.875% | June 2027 | \$700 |
| Senior Notes | 5.75% | December 2034 | \$500 |
| Total | 4.79%¹ | | \$4,158 |

1. Total interest rate represents the weighted average interest rate.

Long Term Debt Profile



1. See 'GAAP to Adjusted EBITDA Reconciliations' slide for reconciliation of net income to adjusted EBITDA.

GAAP to Non-GAAP Reconciliations

| (\$ Millions) | Q4'13 | Q1'14 | Q2'14 | Q3'14 | Q4'14 | Q1'15 | Q2'15 | Q3'15 | Q4'15 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| GAAP net income | \$348 | \$427 | \$428 | \$395 | \$320 | \$381 | \$933 | \$291 | \$138 |
| Non-GAAP adjustments | | | | | | | | | |
| A. Cost of revenue | 19 | 20 | 17 | 11 | 14 | 12 | 14 | 8 | 19 |
| B. Product development | 2 | 3 | 3 | 0 | 0 | 4 | 6 | 4 | 2 |
| B. Marketing and administrative | 4 | 3 | 3 | 17 | (25) | 4 | 7 | 7 | 12 |
| C. Amortization of intangibles | 20 | 20 | 25 | 26 | 27 | 31 | 32 | 32 | 32 |
| D. Restructuring and other, net | 1 | 2 | 16 | 2 | 4 | 6 | 3 | 14 | 9 |
| E. Gain on arbitration award, net | - | - | - | - | - | - | (620) | - | - |
| F. Other income (expense), net | 106 | (2) | (31) | 2 | 76 | 15 | (104) | 1 | 17 |
| G. Provision for (benefit from) income taxes | (53) | 0 | (6) | 0 | (46) | 0 | 181 | - | 21 |
| Non-GAAP net income | \$447 | \$473 | \$455 | \$453 | \$370 | \$453 | \$452 | \$357 | \$250 |
| Diluted net income per share: | | | | | | | | | |
| GAAP | \$0.94 | \$1.16 | \$1.24 | \$1.17 | \$0.95 | \$1.13 | \$2.78 | \$0.88 | \$0.43 |
| Non-GAAP | \$1.20 | \$1.29 | \$1.32 | \$1.34 | \$1.10 | \$1.34 | \$1.35 | \$1.08 | \$0.77 |
| Shares used in diluted net income share calculation | 371 | 368 | 346 | 338 | 337 | 337 | 336 | 330 | 323 |

- A. Cost of Revenue has been adjusted on a non-GAAP basis to exclude the write off of certain discontinued inventory and the amortization of intangibles associated with acquisitions and other acquisition related expenses.
- B. Product development and Marketing and administrative expense has been adjusted on a non-GAAP basis primarily to exclude the write off of certain fixed assets and the impact of acquisitions and integration costs associated with acquisitions.
- C. Amortization of intangibles primarily related to our acquisitions and the impact of integration costs associated with acquisitions, have been excluded on a non-GAAP basis.
- D. Restructuring and other, net, primarily related to a reduction in our work force as a result of our ongoing focus on cost efficiencies in all areas of our business.
- E. Gain on arbitration award, net, has been excluded on a non-GAAP basis. See 'Arbitration Award Reconciliation' slide.
- F. Other income (expense), net, has been adjusted on a non-GAAP basis to exclude the net impact of losses recognized on the early redemption and repurchase of debt partially offset by gains recognized upon sales of certain strategic investments. In addition, in Q2'15, partial payment of \$143 million for interest accrued on the final arbitration award amount in the Company's case against Western Digital was also excluded.
- G. Provision for (benefit from) income taxes, has been adjusted on a non-GAAP basis to exclude the net tax expense associated with establishing a valuation allowance on U.K. deferred tax assets due to cumulative book losses incurred in the U.K. group of companies. In addition, in Q2'15, Provision for (benefit from) income taxes, has been adjusted on a non-GAAP basis primarily to exclude the net tax expense associated with the final audit assessment from the Jiangsu Province State Tax Bureau of the People's Republic of China for changes to the Company's tax filings for the calendar years 2007 through 2013 and 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.

Non-GAAP gross margin and Non-GAAP gross margin %: Non-GAAP gross margin is defined as Revenue less Cost of revenue less Non-GAAP adjustments to Cost of revenue. Non-GAAP gross margin % is defined as Non-GAAP gross margin divided by Revenue.

Non-GAAP operating expenses, Non-GAAP operating income and Non-GAAP operating margin: Non-GAAP operating expenses is defined as Product development, Marketing and administrative, Amortization of intangibles, Restructuring and other, net and Gain on arbitration award, net excluding non-GAAP adjustments B through E noted in the table above. Non-GAAP operating income is defined as Income from operations excluding non-GAAP adjustments A through E noted in the table above. Non-GAAP operating margin is non-GAAP operating income divided by Revenue.

GAAP to Adjusted EBITDA Reconciliations

| (\$ Millions) | Q4'13 | Q1'14 | Q2'14 | Q3'14 | Q4'14 | Q1'15 | Q2'15 | Q3'15 | Q4'15 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|--------------|
| Income Before Income Taxes | \$302 | \$440 | \$442 | \$390 | \$284 | \$392 | \$1,126 | \$304 | \$149 |
| EBITDA adjustments | | | | | | | | | |
| Depreciation | 185 | 191 | 189 | 185 | 183 | 184 | 169 | 164 | 172 |
| Amortization | 37 | 37 | 40 | 26 | 28 | 34 | 39 | 39 | 40 |
| Interest Income | (2) | (5) | (1) | (1) | (1) | (1) | (1) | (1) | (2) |
| Interest Expense | 50 | 44 | 49 | 52 | 50 | 54 | 50 | 48 | 55 |
| EBITDA | \$572 | \$707 | \$719 | \$652 | \$544 | \$663 | \$1,383 | \$554 | \$414 |
| Non-GAAP adjustments | | | | | | | | | |
| A. Costs of Revenue | 2 | 2 | 2 | 11 | 14 | 9 | 7 | 1 | 12 |
| B. Product Development | 2 | 3 | 3 | 0 | 0 | 4 | 6 | 4 | 2 |
| B. Marketing and administrative | 4 | 3 | 3 | 17 | (25) | 4 | 7 | 7 | 12 |
| C. Restructuring and other, net | 1 | 2 | 16 | 2 | 4 | 6 | 3 | 14 | 9 |
| D. Gain on arbitration award, net | - | - | - | - | - | - | (620) | - | - |
| E. Other income (expense), net | 106 | (2) | (31) | 2 | 76 | 15 | (104) | 1 | 17 |
| Adjusted EBITDA | \$687 | \$715 | \$712 | \$684 | \$613 | \$701 | \$682 | \$581 | \$466 |

- A. Cost of Revenue has been adjusted on a non-GAAP basis to exclude the write off of certain discontinued inventory and the amortization of intangibles associated with acquisitions and other acquisition related expenses.
- B. Product development and Marketing and administrative expense has been adjusted on a non-GAAP basis primarily to exclude the write off of certain fixed assets and the impact of acquisitions and integration costs associated with acquisitions.
- C. Restructuring and other, net, primarily related to a reduction in our work force as a result of our ongoing focus on cost efficiencies in all areas of our business.
- D. Gain on arbitration award, net, has been excluded on a non-GAAP basis. See 'Arbitration Award Reconciliation' slide.
- E. Other income (expense), net, has been adjusted on a non-GAAP basis to exclude the net impact of losses recognized on the early redemption and repurchase of debt partially offset by gains recognized upon sales of certain strategic investments. In addition, in Q2'15, partial payment of \$143 million for interest accrued on the final arbitration award amount in the Company's case against Western Digital was also excluded.

Arbitration Award Reconciliation

Gain on arbitration award

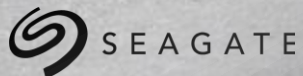
On October 8, 2014, the Minnesota Supreme Court ruled that the arbitration award in favor of the Company in its case against Western Digital for the misappropriation of the Company's trade secrets should be confirmed. In the arbitration award, issued on January 23, 2012, the arbitrator determined that Western Digital and its former employee had misappropriated the Company's trade secrets. The arbitrator awarded the Company \$525 million in compensatory damages and, after adding interest, issued a final award of \$630 million. Interest on the final award has been accruing at 10%. On October 14, 2014, the Company received a partial payment from Western Digital in the amount of \$773 million.

| | For the Fiscal Year Ended July 3, 2015 |
|--|---|
| Partial payment received from Western Digital (classification in Statement of Operations) | \$773 million |
| Award amount (<i>Gain on arbitration award, net</i>) | \$630 million |
| Accrued Interest (<i>Other, net</i>) | \$143 million |
| Less litigation and other related costs (<i>Gain on arbitration award, net</i>) | (\$10 million) |
| Partial payment (<i>Net Income</i>) | \$763 million¹ |

1. Partial payment is included in Cash Flow From Operations.



<http://www.seagate.com/investors/>



July 31, 2015