

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

	<b>June 29, 2012</b>	<b>July 1, 2011(a)</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,707	\$ 2,677
Short-term investments	411	474
Restricted cash and investments	93	102
Accounts receivable, net	2,319	1,495
Inventories	909	872
Deferred income taxes	104	99
Other current assets	767	706
Total current assets	6,310	6,425
Property, equipment and leasehold improvements, net	2,284	2,245
Goodwill	463	31
Other intangible assets	506	1
Deferred income taxes	396	374
Other assets, net	147	149
Total Assets	<u>\$ 10,106</u>	<u>\$ 9,225</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 2,286	\$ 2,063
Accrued employee compensation	344	199
Accrued warranty	235	189
Accrued expenses	531	452
Current portion of long-term debt	—	560
Total current liabilities	3,396	3,463
Long-term accrued warranty	128	159
Long-term accrued income taxes	84	67
Other non-current liabilities	138	121
Long-term debt, less current portion	2,863	2,952
Total Liabilities	6,609	6,762
Shareholders' equity:		
Total Shareholders' Equity	3,497	2,463
Total Liabilities and Shareholders' Equity	<u>\$ 10,106</u>	<u>\$ 9,225</u>

(a) The information in this column was derived from the Company's audited Consolidated Balance Sheet as of July 1, 2011.

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

	<b>For the Three Months Ended</b>		<b>For the Fiscal Years Ended</b>	
	<b>June 29, 2012</b>	<b>July 1, 2011</b>	<b>June 29, 2012</b>	<b>July 1, 2011(a)</b>
Revenue	\$ 4,482	\$ 2,859	\$ 14,939	\$ 10,971
Cost of revenue	2,998	2,308	10,255	8,825
Product development	269	229	1,006	875
Marketing and administrative	140	128	528	445
Amortization of intangibles	18	—	38	2
Restructuring and other, net	—	4	4	18
Total operating expenses	<u>3,425</u>	<u>2,669</u>	<u>11,831</u>	<u>10,165</u>
Income from operations	1,057	190	3,108	806
Interest income	2	1	8	7
Interest expense	(55)	(63)	(241)	(214)
Other, net	9	1	7	(20)
Other expense, net	<u>(44)</u>	<u>(61)</u>	<u>(226)</u>	<u>(227)</u>
Income before income taxes	1,013	129	2,882	579
Provision for income taxes	—	10	20	68
Net income	<u>\$ 1,013</u>	<u>\$ 119</u>	<u>\$ 2,862</u>	<u>\$ 511</u>
Net income per share:				
Basic	\$ 2.46	\$ 0.28	\$ 6.72	\$ 1.13
Diluted	2.37	0.27	6.49	1.09
Number of shares used in per share				
Basic	411	427	426	451
Diluted	427	444	441	467
Cash dividends declared per share	\$ 0.25	\$ 0.18	\$ 0.86	\$ 0.18

(a) The information in this column was derived from the Company's audited Consolidated Statement of Operations for the year ended July 1, 2011.

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

	For the Fiscal Years	
	June 29, 2012	July 1, 2011(a)
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 2,862	\$ 511
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	814	754
Share-based compensation	51	51
Loss on redemption of debt	17	26
Gain on sale of property and equipment	(25)	(23)
Deferred income taxes	(28)	46
Other non-cash operating activities, net	(5)	15
Changes in operating assets and liabilities:		
Accounts receivable, net	(824)	(95)
Inventories	99	(115)
Accounts payable	157	386
Accrued employee compensation	145	(64)
Accrued expenses, income taxes and warranty	54	(28)
Other assets and liabilities	(55)	(200)
Net cash provided by operating activities	<u>3,262</u>	<u>1,264</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, equipment and leasehold	(636)	(843)
Proceeds from the sale of property and equipment	20	77
Purchases of short-term investments	(454)	(487)
Sales of short-term investments	397	159
Maturities of short-term investments	119	101
Change in restricted cash and investments	7	14
Cash used in acquisition of Samsung HDD assets and liabilities	(561)	—
Other investing activities, net	(6)	(2)
Net cash used in investing activities	<u>(1,114)</u>	<u>(981)</u>
<b>FINANCING ACTIVITIES</b>		
Net proceeds from issuance of long-term debt	—	1,324
Repayments of long-term debt and capital lease obligations	(670)	(377)
Change in restricted cash and investments	—	2
Proceeds from issuance of ordinary shares under employee	344	83
Dividends to shareholders	(372)	(74)
Repurchases of ordinary shares	(2,426)	(822)
Other financing activities, net	6	(5)
Net cash (used in) provided by financing activities	<u>(3,118)</u>	<u>131</u>
(Decrease) increase in cash and cash equivalents	(970)	414
Cash and cash equivalents at the beginning of the year	2,677	2,263
Cash and cash equivalents at the end of the year	<u>\$ 1,707</u>	<u>\$ 2,677</u>

(a) The information in this column was derived from the Company's audited Consolidated Statement of Cash flows for the year ended July 1, 2011.

**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 AND DILUTED NET INCOME PER SHARE**  
**(In millions, except per share amounts)**  
**(Unaudited)**

		<b>For the Three Months Ended June 29, 2012</b>	<b>For the Fiscal Year Ended June 29, 2012</b>
GAAP net income		\$ 1,013	\$ 2,862
Non-GAAP adjustments:			
Cost of revenue	A	20	51
Product development	B	4	30
Marketing and administrative	B	1	15
Amortization of intangibles	C	18	38
Restructuring and other, net	C	—	4
Other expense, net	D	—	12
Provision for (benefit from) income taxes	E	(28)	(35)
Non-GAAP net income		<u>\$ 1,028</u>	<u>\$ 2,977</u>
Diluted net income per share:			
GAAP		\$ 2.37	\$ 6.49
Non-GAAP		\$ 2.41	\$ 6.75
Shares used in diluted net income per share		427	441

**A** For the three months ended June 29, 2012, Cost of revenue on a GAAP basis totaled \$2,998 million, while non-GAAP Cost of revenue, which excludes the net impact of certain adjustments, was \$2,978 million. The non-GAAP adjustments include amortization expense of other intangible assets plus integration costs associated with the December 2011 acquisition of Samsung's HDD business.

For the fiscal year ended June 29, 2012, Cost of revenue on a GAAP basis totaled \$10,255 million, while non-GAAP Cost of revenue, which excludes the net impact of certain adjustments, was \$10,204 million. The non-GAAP adjustments include amortization expense of other intangible assets, acquisition and integration costs associated with the acquisition of Samsung's HDD business and the 2012 voluntary early retirement program ("VERP") offered by the Company to certain of its employees in the U.S. in January 2012.

**B** For the three months ended June 29, 2012, Product development and Marketing and administrative expenses have been adjusted on a non-GAAP basis to exclude the net impact of acquisition and integration costs associated with the acquisition of Samsung's HDD business, and costs associated with our pending acquisition of LaCie S.A. These exclusions were offset partially by a gain recorded on the sale of a building.

For the fiscal year ended June 29, 2012, Product development and marketing and administrative expenses have been adjusted on a non-GAAP basis to exclude the net impact of acquisition and integration costs associated with the acquisition of Samsung's HDD business, adjustments to the expected retirement obligations of certain leased and subleased facilities, costs associated with our pending acquisition of LaCie S.A., and costs associated with the accrual of the 2012 VERP. These were offset partially by the reversal of previously accrued litigation costs and a gain recorded on the sale of a building.

**C** For the three months and the fiscal year ended June 29, 2012, Amortization of intangibles related to the acquisition of Samsung's HDD business and Restructuring and other, net, which primarily related to prior year restructuring plans, have been excluded on a non-GAAP basis.

**D** For the fiscal year ended June 29, 2012, Other expense, net on a GAAP basis was an expense of \$226 million, while non-GAAP Other expense, net, which excludes the net impact of certain adjustments, was an expense of \$214 million. The non-GAAP adjustments include a loss related to the redemption of our 10% secured notes and a write-down of an equity investment, offset partially by a gain recognized upon sales of certain strategic investments.

**E** For the three months and the fiscal year ended June 29, 2012, non-GAAP net income excludes discrete 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.