

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

	<b>June 30, 2017</b>	<b>July 1, 2016 (a)</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,539	\$ 1,12
Short-term investments	—	6
Accounts receivable, net	1,199	1,318
Inventories	982	868
Other current assets	321	216
Total current assets	5,041	3,533
Property, equipment and leasehold improvements, net	1,875	2,160
Goodwill	1,238	1,237
Other intangible assets, net	281	448
Deferred income taxes	609	616
Other assets, net	224	219
Total Assets	\$ 9,268	\$ 8,21
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 1,626	\$ 1,51
Accrued employee compensation	237	184
Accrued warranty	113	104
Accrued expenses	650	444
Total current liabilities	2,626	2,249
Long-term accrued warranty	120	102
Long-term accrued income taxes	15	14
Other non-current liabilities	122	164
Long-term debt	5,021	4,091
Total Liabilities	7,904	6,620
Equity:		
Total Equity	1,364	1,593
Total Liabilities and Equity	\$ 9,268	\$ 8,21

(a) The information in this column was derived from the Company's audited Consolidated Balance Sheet as of July 1, 2016.

**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 30, 2017	July 1, 2016	June 30, 2017	July 1, 2016 (a)
Revenue	\$ 2,406	\$ 2,654	\$ 10,771	\$ 11,160
Cost of revenue	1,740	1,992	7,597	8,545
Product development	288	307	1,232	1,237
Marketing and administrative	149	143	606	635
Amortization of intangibles	19	29	104	123
Restructuring and other, net	14	80	178	175
Total operating expenses	<u>2,210</u>	<u>2,551</u>	<u>9,717</u>	<u>10,715</u>
Income from operations	196	103	1,054	445
Interest income	5	1	12	3
Interest expense	(62 )	(51 )	(222 )	(193 )
Other, net	<u>(19 )</u>	<u>1</u>	<u>(29 )</u>	<u>19</u>
Other expense, net	<u>(76 )</u>	<u>(49 )</u>	<u>(239 )</u>	<u>(171 )</u>
Income before income taxes	120	54	815	274
Provision for (benefit from) income taxes	<u>6</u>	<u>(16 )</u>	<u>43</u>	<u>26</u>
Net income	<u>\$ 114</u>	<u>\$ 70</u>	<u>\$ 772</u>	<u>\$ 248</u>
Net income per share:				
Basic	\$ 0.39	\$ 0.23	\$ 2.61	\$ 0.83
Diluted	0.38	0.23	2.58	0.82
Number of shares used in per share calculations:				
Basic	294	299	296	299
Diluted	297	300	299	302
Cash dividends declared per share	\$ 0.63	\$ 0.63	\$ 2.52	\$ 2.43

(a) The information in this column was derived from the Company's audited Consolidated Statement of Operations for the year ended July 1, 2016.

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

	<b>For the Fiscal Years Ended</b>	
	<b>June 30, 2017</b>	<b>July 1, 2016 (a)</b>
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 772	\$ 248
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	749	815
Share-based compensation	137	120
Loss (gain) on redemption and repurchase of debt	7	(3 )
Impairment of long-lived assets	42	26
Deferred income taxes	3	(2 )
Other non-cash operating activities, net	20	12
Changes in operating assets and liabilities:		
Accounts receivable, net	122	464
Inventories	(114 )	145
Accounts payable	121	(24 )
Accrued employee compensation	53	(78 )
Accrued expenses, income taxes and warranty	47	(42 )
Other assets and liabilities	(43 )	(1 )
Net cash provided by operating activities	<u>1,916</u>	<u>1,680</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, equipment and leasehold improvements	(434 )	(587 )
Purchases of strategic investments	(37 )	—
Maturities of short-term investments	6	—
Cash used in acquisition of businesses, net of cash acquired	—	(634 )
Other investing activities, net	6	10
Net cash used in investing activities	<u>(459 )</u>	<u>(1,211 )</u>
<b>FINANCING ACTIVITIES</b>		
Net proceeds from issuance of long-term debt	1,232	—
Redemption and repurchase of debt	(316 )	(22 )
Proceeds from issuance of ordinary shares under employee stock plans	86	79
Dividends to shareholders	(561 )	(727 )
Taxes paid related to net share settlement of equity awards	(27 )	(56 )
Repurchases of ordinary shares	(460 )	(1,090 )
Other financing activities, net	—	(4 )
Net cash used in financing activities	<u>(46 )</u>	<u>(1,820 )</u>
Effect of foreign currency exchange rate changes on cash and cash equivalents	<u>—</u>	<u>(3 )</u>
Increase (decrease) in cash, cash equivalents and restricted cash	1,411	(1,354 )
Cash, cash equivalents and restricted cash at the beginning of the year	1,132	2,486
Cash, cash equivalents and restricted cash at the end of the year	<u>\$ 2,543</u>	<u>\$ 1,132</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, 2016.

## **Use of non-GAAP financial information**

The Company uses non-GAAP measures of adjusted revenue, gross margin, net income, diluted earnings per share and operating expenses which are adjusted from results based on GAAP to exclude certain expenses, gains and losses. These non-GAAP financial measures may be 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, gains and losses that it believes are not indicative of its core operating results and because it is similar to the approach used in connection 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 its industry.

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

	<u>For the Three Months Ended June 30, 2017</u>	<u>For the Fiscal Year Ended June 30, 2017</u>
Reconciliation of GAAP Net Income:		
GAAP Net Income	\$ 114	\$ 772
Non-GAAP adjustments:		
Revenue	A —	(1 )
Cost of revenue	B 30	109
Product development	C 13	44
Marketing and administrative	D 3	4
Amortization of intangibles	E 18	99
Restructuring and other, net	F 14	178
Other expense, net	G 6	30
Provision for income taxes	H (6 )	(3 )
Non-GAAP net income	<u>\$ 192</u>	<u>\$ 1,232</u>
Reconciliation of GAAP Diluted Net Income Per Share:		
GAAP	\$ 0.38	\$ 2.58
Non-GAAP	\$ 0.65	\$ 4.12
Shares used in diluted net income per share calculation	297	299

**A** For the fiscal year ended June 30, 2017, Revenue has been adjusted on a non-GAAP basis for changes in the sales provision for discontinued products.

**B** For the three months and fiscal year ended June 30, 2017, Cost of revenue has been adjusted on a non-GAAP to exclude amortization of intangibles associated with acquisitions, accelerated depreciation, the write off of certain fixed assets and inventory related to restructuring and other charges.

**C** For the three months and fiscal year ended June 30, 2017, Product development expenses have been adjusted on a non-GAAP basis to exclude accelerated depreciation and the write off of certain assets related to restructuring and other charges.

**D** For the three months and fiscal year ended June 30, 2017, Marketing and administrative expenses have been adjusted on a non-GAAP basis primarily to reflect the impact of certain strategic development costs and the write off of certain fixed assets.

**E** For the three months and fiscal year ended June 30, 2017, Amortization of intangibles primarily related to our acquisitions has been excluded on a non-GAAP basis.

**F** For the three months and fiscal year ended June 30, 2017, Restructuring and other, net, has been adjusted on a non-GAAP basis primarily related to reductions in our workforce and facility exit costs as a result of our ongoing focus on cost efficiencies in all areas of our business.

**G** For the three months and fiscal year ended June 30, 2017, Other 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 and impairment of certain strategic investments.

**H** For the three months and fiscal year ended June 30, 2017, Provision for income taxes represents the tax effects of non-GAAP adjustments determined using a hybrid with and without method and effective tax rate for the applicable adjustment and jurisdiction.