



Fiscal Q1 2010

Supplemental Financial Information

Financial Highlights – 8 Quarter Trend



Summary of Certain Cash & Non-Cash Items

Fiscal Q1 2010 Financial Results

\$ Millions

FQ1'10

Acquisition Related Costs	\$10	Amortization of Purchased Intangibles See pg 3
Restructuring Related Costs	\$46	Restructuring charges such as severance (AMK \$37M) and other exit costs (Pittsburgh Site Closure \$6M)
Impairment of Long-lived Assets	\$64	Property, plant and equipment impairment
Total Expense/(Gain)	\$120	Approximately \$.23 per share for Q1'10



Acquisition Related Costs Fiscal Q1 2010 (September Quarter)

\$ Millions – P&L Classification

	FQ1'10
Cost of Revenue	\$2
Amortization of Intangibles	\$8
Total	\$10



Gross Margin, Percent of Revenue Fiscal Q1 2010 (September Quarter)

	Gross Margin (\$M)	Gross Margin %
GAAP Reported	\$653	24.5%
Non-Cash Items:		
- Amortization of Intangibles [1]	\$2	
Total Non-Cash Items	\$2	

This non-cash item is included in the reported results and decreased gross margin by approximately 10 basis points

[1] Amortization of Intangible related to Cost of Revenue, see page 3



Cash from Operations and Free Cash Flow Fiscal Q1 2010 (September Quarter)

\$ Millions	<i>FQ1'10</i>
Net Cash Provided by Operating Activities	\$278
Less: Acquisition of Property, Equipment and Leasehold Improvements	(\$89)
Free Cash Flow	\$189

Source: Condensed Consolidated Statements of Cash Flows (unaudited) for the period ended October 2, 2009

Seagate disclosed on a conference call with investors on October 20, 2009, after making certain non-GAAP adjustments, non-GAAP free cash flow. A reconciliation of the adjustments to Net Cash provided by operating activities in accordance with GAAP is included in the table above. This additional non-GAAP financial information is not meant to be considered in isolation or as a substitute for net cash provided by operating activities. You should not compare our non-GAAP free cash flow with those of other companies, as the adjustments made to our GAAP results are unique to Seagate.



Preliminary Results

Financial Highlights – 8 Quarter Trend

\$ Millions

	<u>Q2 FY08</u>	<u>Q3 FY08</u>	<u>Q4 FY08</u>	<u>Q1 FY09</u>	<u>Q2 FY09</u>	<u>Q3 FY09</u>	<u>Q4 FY09</u>	<u>Q1 FY10</u>
Total Revenue	\$3,420	\$3,104	\$2,899	\$3,033	\$2,270	\$2,150	\$2,353	\$2,663
\$ Aggregate Customer Mix								
OEM	67%	65%	68%	66%	67%	61%	65%	68%
Distribution	26%	28%	25%	27%	26%	29%	25%	24%
Retail	7%	7%	7%	7%	7%	10%	10%	8%
\$ Geographic								
North America	29%	31%	30%	27%	27%	27%	30%	24%
Europe	28%	28%	27%	29%	27%	28%	22%	23%
Asia Pacific	43%	41%	43%	44%	46%	45%	48%	53%
Inventory Breakdown								
Raw Materials	\$293	\$346	\$352	\$380	\$274	\$206	\$201	\$217
WIP	\$119	\$114	\$111	\$139	\$93	\$110	\$120	\$135
Finished Goods	<u>\$418</u>	<u>\$613</u>	<u>\$482</u>	<u>\$390</u>	<u>\$429</u>	<u>\$261</u>	<u>\$266</u>	<u>\$270</u>
	\$830	\$1,073	\$945	\$909	\$796	\$577	\$587	\$622
Drive Units by Market Category (000's)								
Enterprise Storage	5,250	5,290	5,200	5,210	4,280	3,400	3,630	3,980
Desktop Storage	29,850	26,710	25,380	28,160	20,950	22,210	21,900	23,270
Mobile	6,430	5,540	6,880	9,810	7,580	8,920	11,330	13,850
Consumer Electronics	<u>8,080</u>	<u>5,100</u>	<u>5,650</u>	<u>4,820</u>	<u>3,930</u>	<u>3,910</u>	<u>3,770</u>	<u>5,170</u>
	49,610	42,640	43,110	48,000	36,740	38,440	40,630	46,270
Cash Flow Related Items								
Capital Additions	\$212	\$275	\$293	\$280	\$214	\$59	\$80	\$89
Depreciation/Amortization	\$215	\$211	\$213	\$253	\$228	\$226	\$224	\$204
Inventory Turns	12.2	8.5	9.3	11.0	9.8	13.8	13.3	12.9
Days Sales Outstanding	42	40	44	42	42	37	40	42
World-Wide Employees	55,248	55,448	54,036	53,784	51,925	44,774	47,343	49,017

Long-term Debt Maturity Profile

\$ Millions

As of October 2, 2009

Facility	Rate	Due	Carrying Value \$M
Convertible Senior Notes	6.80%	Apr-10	\$104
Senior Notes	6.375%	Oct-11	\$579
Debentures	5.75%	Mar-12	\$35
Convertible Senior Notes	2.375%	Aug-12	\$288
Senior Secured Notes	10.0%	May-14	\$411
Senior Notes	6.8%	Oct-16	\$599



Cash Conversion Cycle

(Calculations assume 91 days per quarter)

	FQ1'10	FQ4'09	FQ1'09
Days Sales Outstanding	42	40	42
Days Payables Outstanding	75	73	70
Days Inventory Outstanding	28	27	33
Cash Conversion Cycle	(5)	(6)	5



Fiscal FY10 Guidance

Fiscal 2010 revenue of greater than \$10.5B and diluted GAAP earnings per share in excess of \$1.90 includes approximately \$155M, or \$0.30, of restructuring costs, asset write-downs and amortization of purchased intangibles as shown in the table below.

\$ Millions	FY'10	
Acquisition Related Costs	\$38	Amortization of Purchased Intangibles
Restructuring Related Costs	\$53	Restructuring charges such as severance and other exit costs
Impairment of Long-lived Assets	\$64	Property, plant and equipment impairment
Total Expense/(Gain)	\$155	Approximately \$0.30 per share for FY'10

