



Fiscal Q4 2010

Supplemental Financial Information

Financial Highlights – 8 Quarter Trend



Summary of Certain Cash & Non-Cash Items

Fiscal Q4 2010 Financial Results

\$ Millions

	FQ4'10	YTD	
Acquisition Related Costs	\$6	\$35	Amortization of Purchased Intangibles See pg 3
Restructuring Related Costs	\$16	\$66	Restructuring charges such as severance (AMK/IHQ \$39M) and other exit costs (Pittsburgh Site Closure \$18M)
Impairment Long-lived Assets	(\$6)	\$57	Property, plant and equipment write-down partially offset by sales of assets in FQ4'10
Other Income/Expense	\$3	\$3	Fees related to the termination of the Revolving Credit Facility
Tax Provision	(\$50)	(\$50)	Valuation allowance adjustments for deferred tax assets and other discreet adjustments
Total Expense/(Gain)	(\$31)	\$111	Approximately (\$0.06) per share for FQ4'10; \$0.22 for FY10

Acquisition Related Costs

Fiscal Q4 2010 (June Quarter)

\$ Millions – P&L Classification

	FQ4'10	YTD
Cost of Revenue	\$2	\$7
Amortization of Intangibles	\$4	\$28
Total	\$6	\$35

Relates primarily to the 2006 acquisition of Maxtor

Cash from Operations and Free Cash Flow

Fiscal Q4 2010 (June Quarter)

\$ Millions	<i>FQ4'10</i>	<i>YTD</i>
Net Cash Provided by Operating Activities	\$324	\$1,932
Less: Acquisition of Property, Equipment and Leasehold Improvements	(\$267)	(\$639)
Free Cash Flow	\$57	\$1,293

Source: Consolidated Statements of Cash Flows (unaudited) for the period ended July 2, 2010

Seagate disclosed on a conference call with investors on July 20, 2010, 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>Q1 FY09</u>	<u>Q2 FY09</u>	<u>Q3 FY09</u>	<u>Q4 FY09</u>	<u>Q1 FY10</u>	<u>Q2 FY10</u>	<u>Q3 FY10</u>	<u>Q4 FY10</u>
Total Revenue	\$3,033	\$2,270	\$2,150	\$2,353	\$2,663	\$3,027	\$3,049	\$2,656
\$ Aggregate Customer Mix								
OEM	66%	67%	61%	65%	68%	69%	72%	74%
Distribution	27%	26%	29%	25%	24%	22%	21%	19%
Retail	7%	7%	10%	10%	8%	9%	7%	7%
\$ Geographic								
North America	27%	27%	27%	30%	24%	26%	26%	28%
Europe	29%	27%	28%	22%	23%	24%	23%	19%
Asia Pacific	44%	46%	45%	48%	53%	50%	51%	53%
Inventory Breakdown								
Raw Materials	\$380	\$274	\$206	\$201	\$217	\$188	\$241	\$263
WIP	\$139	\$93	\$110	\$120	\$135	\$165	\$159	\$145
Finished Goods	<u>\$390</u>	<u>\$429</u>	<u>\$261</u>	<u>\$266</u>	<u>\$270</u>	<u>\$292</u>	<u>\$285</u>	<u>\$349</u>
	\$909	\$796	\$577	\$587	\$622	\$645	\$685	\$757
Drive Units by Market Category (000's)								
Enterprise Storage	7,220	5,720	4,400	4,920	5,620	6,380	6,930	6,470
Client Compute	33,850	24,860	27,150	29,030	33,250	35,020	34,880	31,800
Client Non-Compute	<u>6,930</u>	<u>6,160</u>	<u>6,890</u>	<u>6,670</u>	<u>7,380</u>	<u>8,450</u>	<u>8,430</u>	<u>8,500</u>
	48,000	36,740	38,440	40,620	46,250	49,850	50,240	46,770
Cash Flow Related Items								
Capital Additions	\$280	\$214	\$59	\$80	\$89	\$103	\$180	\$267
Depreciation/Amortization	\$253	\$228	\$227	\$224	\$204	\$192	\$188	\$196
Inventory Turns	11.0	9.8	13.8	13.3	12.9	13.0	12.5	10.2
Days Sales Outstanding	42	42	37	40	42	40	43	48
World-Wide Employees	53,784	51,925	44,774	47,343	49,017	51,279	52,129	52,600

Please note that some totals may not add due to rounding

Units by Market – 16 Quarter Trend

Thousands

	Q1 FY07	Q2 FY07	Q3 FY07	Q4 FY07	Q1 FY08	Q2 FY08	Q3 FY08	Q4 FY08	Q1 FY09	Q2 FY09	Q3 FY09	Q4 FY09	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10
Drive Units by Market Category (000's)																
Enterprise	4,500	4,760	5,070	5,550	6,680	7,030	7,570	7,000	7,220	5,720	4,400	4,920	5,620	6,380	6,930	6,470
Client Compute	30,040	30,640	29,080	28,040	33,760	34,940	28,380	29,080	33,850	24,860	27,150	29,030	33,250	35,020	34,880	31,800
Client Non-Compute	4,600	5,970	5,340	5,660	6,750	7,630	6,690	7,030	6,930	6,160	6,890	6,670	7,380	8,450	8,430	8,500
	39,140	41,370	39,490	39,250	47,190	49,600	42,640	43,110	48,000	36,740	38,440	40,620	46,250	49,850	50,240	46,770

Market Definitions:

Enterprise: Includes Mission Critical (Fibre Channel, SCSI, SAS) drives as well as drives for Nearline applications

Client Compute: Includes 3.5" and 2.5" ATA drives for desktop and mobile compute applications. Drives sold into the Consumer Electronics market will be reported in this category unless they are designed specifically for that market.

Client Non-Compute: Includes drives designed specifically for Consumer Electronic applications and Branded retail storage products. NAS units are reported at the system level, regardless of the number of drives per system.