



**Fiscal Q2 2011**

**Supplemental Financial Information**

**Financial Highlights – 8 Quarter Trend**



# Cash from Operations and Free Cash Flow

## Fiscal Q2 2011 (September Quarter)

\$ Millions	<i>FQ2'11</i>	<i>YTD</i>
Net Cash Provided by Operating Activities	\$507	\$752
Less: Acquisition of Property, Equipment and Leasehold Improvements	(\$202)	(\$560)
Free Cash Flow	\$305	\$192

Source: Consolidated Statements of Cash Flows (unaudited) for the period ended December 31, 2010

Seagate disclosed on a conference call with investors on January 19, 2011, 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>Q3 FY09</u>	<u>Q4 FY09</u>	<u>Q1 FY10</u>	<u>Q2 FY10</u>	<u>Q3 FY10</u>	<u>Q4 FY10</u>	<u>Q1 FY11</u>	<u>Q2 FY11</u>
Total Revenue	\$2,150	\$2,353	\$2,663	\$3,027	\$3,049	\$2,656	\$2,697	\$2,719
\$ Aggregate Customer Mix								
OEM	61%	65%	68%	69%	72%	73%	70%	68%
Distribution	29%	25%	24%	22%	21%	20%	22%	21%
Retail	10%	10%	8%	9%	7%	7%	8%	11%
\$ Geographic								
North America	27%	30%	24%	26%	26%	28%	29%	29%
Europe	28%	22%	23%	24%	23%	19%	21%	21%
Asia Pacific	45%	48%	53%	50%	51%	53%	50%	50%
Inventory Breakdown								
Raw Materials	\$206	\$201	\$217	\$188	\$241	\$263	\$244	\$266
WIP	\$110	\$120	\$135	\$165	\$159	\$145	\$152	\$159
Finished Goods	<u>\$261</u>	<u>\$266</u>	<u>\$270</u>	<u>\$292</u>	<u>\$285</u>	<u>\$349</u>	<u>\$347</u>	<u>\$383</u>
	\$577	\$587	\$622	\$645	\$685	\$757	\$743	\$808
Drive Units by Market Category (000's)								
Enterprise Storage	4,400	4,920	5,620	6,380	6,930	6,470	6,850	7,080
Client Compute	27,150	29,030	33,250	35,020	34,880	31,800	33,310	31,520
Client Non-Compute	<u>6,890</u>	<u>6,670</u>	<u>7,380</u>	<u>8,450</u>	<u>8,430</u>	<u>8,500</u>	<u>9,060</u>	<u>10,320</u>
	38,440	40,620	46,250	49,850	50,240	46,770	49,220	48,920
Cash Flow Related Items								
Capital Additions	\$59	\$80	\$89	\$103	\$180	\$267	\$358	\$202
Depreciation/Amortization	\$227	\$224	\$204	\$192	\$188	\$196	\$189	\$190
Inventory Turns	13.8	13.3	12.9	13.0	12.5	10.2	11.6	10.9
Days Sales Outstanding	37	40	42	40	43	48	51	47
World-Wide Employees	44,774	47,343	49,017	51,279	52,129	52,600	52,341	53,735

Please note that some totals may not add due to rounding

# Units by Market – 16 Quarter Trend

## Thousands

	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	Q1 FY11	Q2 FY11
<b>Drive Units by Market Category (000's)</b>																
Enterprise	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	6,850	7,080
Client Compute	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	33,310	31,520
Client Non-Compute	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	9,060	10,320
	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	49,220	48,920

### Market Definitions:

**Enterprise:** Includes Mission Critical (Fibre Channel, SCSI, SAS) drives as well as drives for Business Critical 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.

# Long-term Debt Maturity Profile

(as of December 31, 2010)

\$ Millions

Facility	Rate	Due	Carrying Value \$M
Senior Notes	6.375%	Oct-11	\$559
Senior Secured Notes	10.0%	May-14	\$415
Senior Notes	6.8%	Oct-16	\$600
Senior Notes	7.75%	Dec-18	\$750
Senior Notes	6.875%	May-20	\$600