



Fiscal Q4 2007

Supplemental Financial Information

Financial Highlights – 8 Quarter Trend



Use of Non-GAAP Financial Measures

Our results of operations have undergone significant change in the past year, most significantly in connection with our acquisition of Maxtor. To help the readers of our condensed consolidated financial statements prepared on a GAAP basis better understand our past financial performance and our expectations of our future results, we supplementally disclosed in our press release dated July 19, 2007, after making certain non-GAAP adjustments, non-GAAP net income and non-GAAP diluted net income per share. A reconciliation of the adjustments to GAAP net income and diluted net income per share for this quarter is included in the tables below and in the press release dated July 19, 2007. In addition, an explanation of the ways in which our board of directors and management use these non-GAAP financial measures to evaluate the business, the substance behind our management's decision to use these non-GAAP financial measures, the material limitations associated with the use of these non-GAAP financial measures, the manner in which Seagate management compensates for those limitations, and the substantive reasons why we believe that these non-GAAP financial measures provide useful information to investors, is included under the caption "Use of Non-GAAP Financial Measures" in the Form 8-K furnished July 19, 2007 to the U.S. Securities and Exchange Commission. This additional non-GAAP financial information is not meant to be considered in isolation or as a substitute for net income or diluted net income per share prepared in accordance with GAAP. You should not compare our non-GAAP net income or non-GAAP net income per share results with those of other companies, as the adjustments made to our GAAP results are unique to Seagate.

In addition, to help the readers of our condensed consolidated financial statements prepared on a GAAP basis better understand our past gross margin and operating expenses, we supplementally disclosed on a conference call with investors on July 19, 2007, after making certain non-GAAP adjustments, non-GAAP gross margin and non-GAAP product development and marketing/administrative costs. A reconciliation of the adjustments to GAAP for this quarter is included in the tables below. This additional non-GAAP financial information is not meant to be considered in isolation or as a substitute for gross margin or product development and marketing/administrative expenses prepared in accordance with GAAP. You should not compare our non-GAAP gross margin or non-GAAP operating expenses with those of other companies, as the adjustments made to our GAAP results are unique to Seagate.



Acquisition Related Costs Fiscal Q4'2007 (June Quarter)

\$ Millions

Amortization of Purchased Intangibles	\$23
Stock Based Compensation Expense	\$3
Integration, Retention and All Other	\$1
Total [1]	\$27

Cost of Goods Sold	\$11
Operating Expenses	\$3
Amortization of Intangibles	\$13
Tax Provision	\$0
Total	\$27

[1] Split: Maxtor \$24, EVault \$3



Reconciliation of Non-GAAP Net Income & EPS Fiscal Q4 2007 (June Quarter)

	<i>Net Income</i> (\$M)	<i>Diluted EPS</i>
GAAP Reported	\$541	\$0.96
Non-GAAP Adjustments:		
Add: Acquisition Related Costs	\$27	
Non-GAAP Reported	\$568	\$1.01

- GAAP and non-GAAP reported results include approximately a \$326m benefit from non-operating items (see slide 7 for details)

All adjustments net of associated tax effects



Reconciliation of Non-GAAP Gross Margin Fiscal Q4 2007 (June Quarter)

	Gross Margin (\$M)	Gross Margin %
GAAP Reported	\$594	21.6%
Non-GAAP Adjustments:		
- Acquisition Related Costs	\$11	
Non-GAAP Reported	\$605	22.0%



Reconciliation of Non-GAAP Product Development and Marketing/Administrative Fiscal Q4 2007 (June Quarter)

\$ Millions	<i>Product Development</i>	<i>Marketing & Administrative</i>	<i>Total</i>
GAAP Reported	\$221	\$143	\$364
Non-GAAP Adjustments:			
- Stock Based Compensation	(\$2)	--	(\$2)
- Integration and Retention	--	(\$1)	(\$1)
Non-GAAP Reported	\$219	\$142	\$361



Non-Operating Items

Fiscal Q4 2007 (June Quarter)

\$ Millions

Restructuring Charge	(\$29)	Expense reduction actions in various functional and geographic locations
Write-off Equity Investment Other Income and (Expense)	(\$4)	
Income Tax Benefit	\$359	Favorable adjustment to the valuation allowance for deferred tax assets
Total Non-Operating Items	\$326	

- The costs and benefits associated with these events are included in both the GAAP and non-GAAP reported results
- The costs and benefits associated with these events were not included the guidance provided on April 17, 2007



Amortization of Purchased Intangibles

Fiscal Q4 2007 and FY2008

Amortization of Intangibles
\$ Millions

	Actual			Estimate				
	<u>FQ307</u>	<u>FQ407</u>	<u>FY2007</u>	<u>FQ108</u>	<u>FQ208</u>	<u>FQ308</u>	<u>FQ408</u>	<u>FY2008</u>
Maxtor								
Existing Technology	\$ 38	\$ 8	\$ 96	\$ 8	\$ 8	\$ 8	\$ 4	\$ 28
Customer Relationships	10	10	40	10	10	10	10	40
Trade Names	<u>2</u>	<u>2</u>	<u>8</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>8</u>
Subtotal Maxtor	\$ 50	\$ 20	\$ 144	\$ 20	\$ 20	\$ 20	\$ 16	\$ 76
Services (EVault, SRS)	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 6</u>	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 12</u>
Total	\$ 53	\$ 23	\$ 150	\$ 23	\$ 23	\$ 23	\$ 19	\$ 88

The estimate of amortization of purchased intangibles reflects the company's view as of July 19, 2007.



Financial Highlights – 8 Quarter Trend

	<u>Q1 FY06</u>	<u>Q2 FY06</u>	<u>Q3 FY06</u>	<u>Q4 FY06</u>	<u>Q1 FY07</u>	<u>Q2 FY07</u>	<u>Q3 FY07</u>	<u>Q4 FY07</u>
Total Revenue	\$2,088	\$2,300	\$2,289	\$2,529	\$2,793	\$2,996	\$2,828	\$2,744
\$ Aggregate Customer Mix								
OEM	72%	71%	73%	69%	64%	63%	63%	65%
Distribution	25%	26%	24%	28%	32%	31%	30%	28%
Retail	3%	3%	3%	3%	4%	6%	7%	7%
\$ Geographic								
North America	28%	29%	31%	33%	32%	29%	28%	31%
Europe	29%	30%	26%	24%	23%	30%	29%	25%
Asia Pacific	43%	41%	43%	43%	45%	41%	43%	44%
Inventory Breakdown								
Purchased Materials	\$131	\$130	\$156	\$209	\$201	\$192	\$258	\$277
WIP	\$66	\$72	\$84	\$126	\$99	\$90	\$87	\$85
Finished Goods	<u>\$279</u>	<u>\$302</u>	<u>\$309</u>	<u>\$556</u>	<u>\$639</u>	<u>\$489</u>	<u>\$487</u>	<u>\$432</u>
	\$476	\$504	\$549	\$891	\$939	\$771	\$832	\$794
Drive Units by Market Category (000's)								
Enterprise Storage	3,051	3,538	3,510	4,200	4,090	4,140	4,150	4,290
Desktop Storage	17,443	18,852	17,480	20,070	24,360	25,730	23,910	23,830
Mobile	2,412	2,900	3,770	3,390	4,210	4,410	4,710	6,120
Consumer Electronics	<u>3,929</u>	<u>3,530</u>	<u>4,690</u>	<u>5,960</u>	<u>6,480</u>	<u>7,090</u>	<u>6,720</u>	<u>5,010</u>
	26,835	28,820	29,450	33,620	39,140	41,370	39,490	39,250
Cash Flow Related Items								
Capital Additions	\$169	\$184	\$253	\$402	\$227	\$239	\$222	\$218
Depreciation/Amortization	\$137	\$149	\$150	\$176	\$199	\$215	\$236	\$201
Inventory Turns	13.0	13.5	12.6	9.3	10.0	12.7	10.7	10.8
Days Sales Outstanding	49	43	46	47	43	38	44	46
World-Wide Employees	45,805	46,999	49,266	60,274	57,021	54,195	54,714	53,980

Please note that some totals may not add due to rounding