



Supplemental Financial Information

Fiscal Q3 2015

April 17, 2015

<http://www.seagate.com/investors/>

Safe Harbor Statement

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934, each as amended, including, in particular, statements about our plans, strategies and prospects and estimates of industry growth for the fiscal quarter and year ending July 3, 2015 and beyond. These statements identify prospective information and may include words such as “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “projects” and similar expressions. These forward-looking statements are based on information available to the Company as of the date of this document and are based on management’s current views and assumptions. These forward-looking statements are conditioned upon and also involve a number of known and unknown risks, uncertainties, and other factors that could cause actual results, performance or events to differ materially from those anticipated by these forward-looking statements. Such risks, uncertainties, and other factors may be beyond the Company’s control and may pose a risk to the Company’s operating and financial condition. Such risks and uncertainties include, but are not limited to: the uncertainty in global economic conditions, as consumers and businesses may defer purchases in response to tighter credit and financial news; the impact of the variable demand and adverse pricing environment for disk drives, particularly in view of current business and economic conditions; the Company’s ability to successfully qualify, manufacture and sell its disk drive products in increasing volumes on a cost-effective basis and with acceptable quality, particularly the new disk drive products with lower cost structures; the impact of competitive product announcements; currency fluctuations that may impact our margins and international sales; possible excess industry supply with respect to particular disk drive products; and the Company’s ability to achieve projected cost savings in connection with restructuring plans. Information concerning risks, uncertainties and other factors that could cause results to differ materially from the expectations described in this document is contained in the Company’s Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on August 7, 2014, the “Risk Factors” section of which is incorporated into this document by reference and other documents filed with or furnished to the Securities and Exchange Commission. These forward-looking statements should not be relied upon as representing the Company’s views as of any subsequent date and the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date they were made.

Use of Non-GAAP Financial Information

To supplement the condensed consolidated financial statements presented in accordance with generally accepted accounting principles (GAAP), the Company provides non-GAAP measures of net income, diluted net income per share, gross margin, gross margin as a percentage of revenue, operating margin, operating expenses, and operating income which are adjusted from results based on GAAP to exclude certain expenses, gains and losses. These non-GAAP financial measures are provided to enhance the user's overall understanding of the Company's current financial performance and our 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 we believe are not indicative of our core operating results and because they are consistent with the financial models and estimates published by financial analysts who follow the Company. The Company also presents free cash flow, which is a non-GAAP measure calculated as the sum of net cash provided by operating activities, less acquisition of property, equipment and leasehold improvements. Free cash flow does not reflect all of the Company's expenses and non-cash items and does not reflect the Company's uses of cash in financing and investment activities.

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 our industry.

Financial Highlights

Average capacity per drive
grew **20%**
year-over-year to
1,102 GB

Achieved **revenue** of
\$3.3 Billion

Non-GAAP **gross margin** of
28.9%

Non-GAAP diluted **EPS** of
\$1.08

Generated **\$2.4 billion** in
operating cash flow and
\$1.9 billion
in **free cash flow** YTD

Returned a total of
\$1.4 billion
to shareholders through
dividends and share
redemptions YTD

Paid quarterly cash
dividend of **\$0.54**
per share

Announced the intent to
redeem all of its remaining
outstanding
6.875% Senior
Notes due 2020

Product and Technology Development Highlights

Announced a strategic agreement with Micron Technology that establishes a framework for combining the innovation and expertise of both companies. While initially focusing on next-generation SAS SSDs and strategic NAND supply, Micron and Seagate anticipate that this multi-year agreement will extend into future collaboration on enterprise storage solutions featuring Micron NAND flash memory.

Announced a three-year partnership with CERN openlab to collaborate on the development of the Seagate Kinetic Open Storage platform. The partnership aims to help CERN, the European Organization for Nuclear Research, to better manage and store the 100 petabytes of data the Large Hadron Collider has generated to date, as well as the additional 2-3 petabytes of information it produces on a monthly basis in its quest to further humanity's understanding of the universe.

Announced that its Nytro® family of PCIe-based flash acceleration cards—the XP6209—has been selected by China's foremost Infrastructure-as-a-Service (IaaS) provider QingCloud to enhance the performance and capabilities of its cutting-edge cloud service. QingCloud delivers a safe, reliable, on-demand and real-time IT resource delivery platform to enterprise users.

Delivered two new development tools related to its Kinetic Open Storage™ platform—the Seagate® Kinetic Ethernet Drive interface and the Seagate Kinetic™ T-Card development adapter. Both innovations, have been accepted by the Open Compute Foundation as important open standards available to Open Compute Project (OCP) solution providers and system builders.

Seagate Seven portable drive has been awarded the prestigious iF and Red Dot Design Awards. Seagate Seven is a high-design ultra-slim external drive with a depth of 7mm making it the slimmest way to carry 500GB of data.

Quarterly Financial Trends

	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15 ²	Q3'15
ASP (HDD Only)	\$63	\$63	\$62	\$62	\$61	\$60	\$60	\$61	\$62
Revenue (\$M)	3,526	3,425	3,489	3,528	3,406	3,301	3,785	3,696	3,330
Gross Margin %	26.9%	27.4%	28.0%	28.0%	28.2%	28.0%	27.8%	27.8%	28.7%
Operating Expenses (\$M)	483	491	497	543	515	515	595	(26)	612
Operating Income (\$M)	465	448	478	444	444	410	456	1,053	343
Net Income (\$M)	416	348	427	428	395	320	381	933	291
Basic EPS	\$1.16	\$0.97	\$1.20	\$1.27	\$1.21	\$0.98	\$1.17	\$2.84	\$0.90
Diluted EPS	\$1.13	\$0.94	\$1.16	\$1.24	\$1.17	\$0.95	\$1.13	\$2.78	\$0.88
Non-GAAP Results¹									
Gross Margin %	27.6%	28.0%	28.5%	28.5%	28.5%	28.5%	28.1%	28.2%	28.9%
Operating Expenses (\$M)	446	464	469	496	470	509	550	546	555
Operating Income (\$M)	526	494	526	508	500	430	513	495	408
Net Income (\$M)	464	447	473	455	453	370	453	452	357
Basic EPS	\$1.30	\$1.25	\$1.32	\$1.35	\$1.39	\$1.13	\$1.39	\$1.38	\$1.11
Diluted EPS	\$1.26	\$1.20	\$1.29	\$1.32	\$1.34	\$1.10	\$1.34	\$1.35	\$1.08

1. See slide 15, GAAP to Non-GAAP Reconciliations, for GAAP reconciliation.

2. See slide 17, Arbitration Award Reconciliation, for impact of the arbitration award on the Statement of Operations.

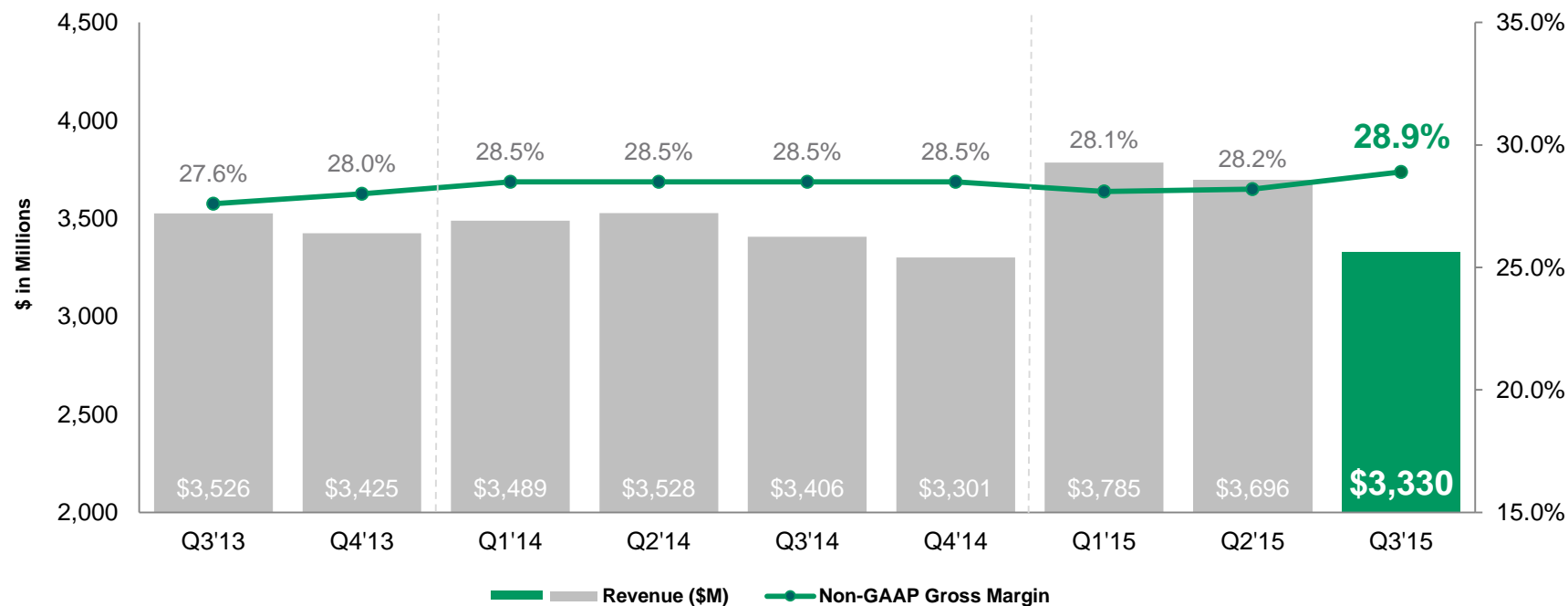
Quarterly Financial Trends

	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
End of Qtr Actual Share Count (M)	358	359	359	328	326	327	327	329	318
Basic Share O/S for EPS (M)	358	359	357	336	327	326	327	328	323
Diluted Shares O/S for EPS (M)	369	371	368	346	338	337	337	336	330
Dividend Per Share Paid ¹	\$0.38	\$0.38	\$0.38	\$0.43	\$0.43	\$0.43	\$0.43	\$0.54	\$0.54
Shares Repurchased (M)	3	1	4	33	4	0.5	3	0.3	12
Fiscal YTD Shares Repurchased (M)	53	54	4	37	41	41	3	3	15.3
HDD TAM ² (M)	136	133	140	142	138	138	147	141	125
HDD Share ²	41%	40%	40%	40%	40%	38%	40%	40%	40%
Exabytes Shipped (HDD Only)	47.2	45.9	48.9	52.2	50.8	49.3	59.9	61.3	55.2
Average Capacity per Drive (GB)	848	852	878	922	920	938	1,007	1,077	1,102

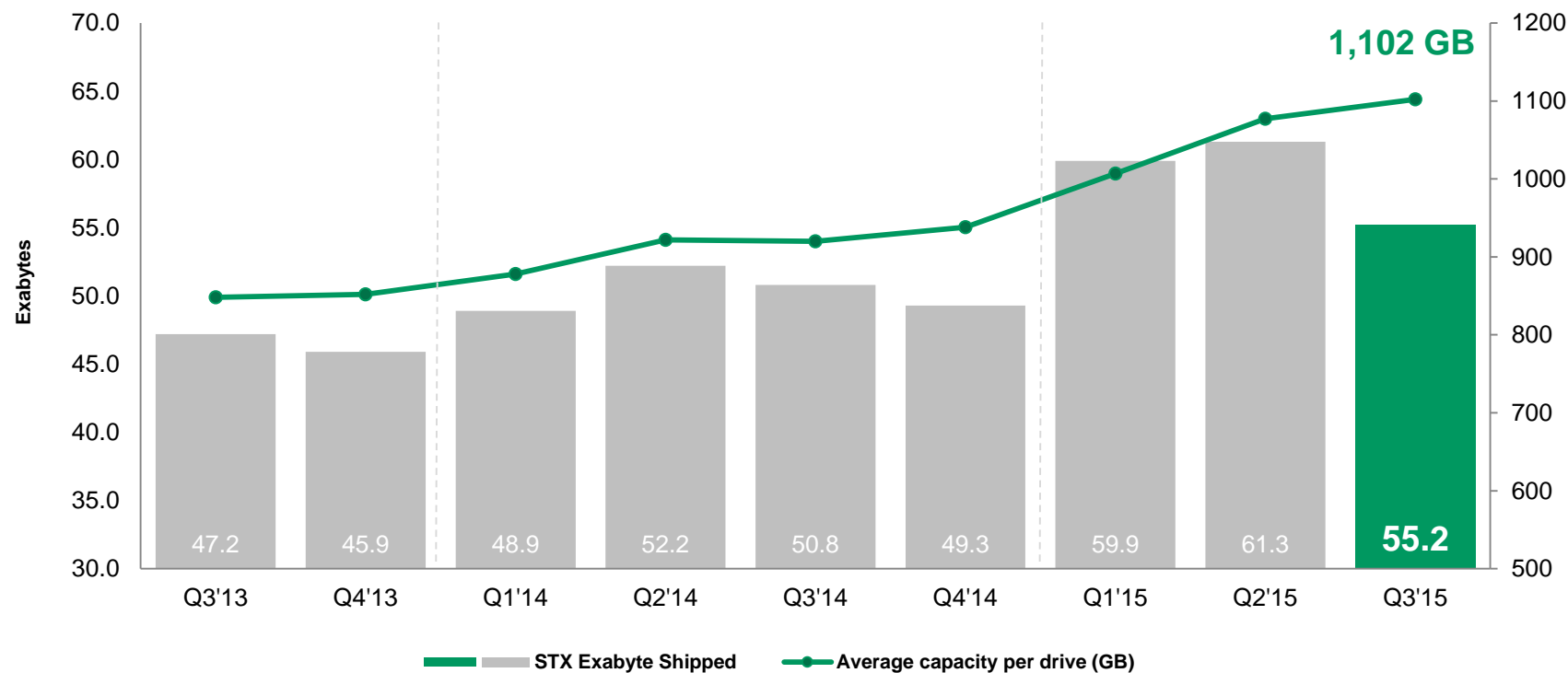
1. Q3'13 dividend payment pulled forward to December 2012.

2. Data for Q3'15 was updated on May 2015.

Revenue and Non-GAAP Gross Margin



Exabytes Shipped and Average Capacity per Drive



Channel and Product Mix Trends

	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
Revenue by Channel									
OEM	67%	71%	68%	66%	66%	70%	70%	69%	70%
Distributors	20%	18%	21%	21%	20%	19%	18%	18%	18%
Retail	13%	11%	11%	13%	14%	11%	12%	13%	12%
Enterprise Units (M)									
Enterprise	7.5	8.2	8.1	7.8	7.7	7.4	8.8	9.1	9.1
Compute Units (M)									
Desktop	19.6	18.6	19.1	19.2	19.8	18.4	18.7	16.0	14.3
Notebook	17.0	16.1	17.2	16.9	16.4	16.8	20.2	19.7	16.8
Non Compute Units (M)									
Consumer Electronics	5.8	6.1	6.2	6.7	5.4	5.1	6.0	6.1	4.8
Branded	5.7	4.8	5.1	6.2	5.9	4.8	5.7	6.0	5.1
Total HDD Units (M)	55.7	53.9	55.7	56.6	55.2	52.5	59.5	56.9	50.1

Cash Flow and Operational Trends

	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15 ⁵	Q3'15
Cash ¹ (\$M)	2,010	2,289	2,521	2,343	2,310	2,658	2,205	3,306	2,614
Debt (\$M)	2,478	2,777	2,773	3,572	3,514	3,920	3,809	3,932	3,931
Cash Flow From Operations (\$M)	683	388	682	856	443	577	602	1,443	374
Capital Expenditures (\$M) ²	231	128	161	143	124	131	172	215	159
Free Cash Flow (\$M) ³	452	260	521	713	319	446	430	1,228	215
Cash Flow From Operations (\$M)	683	388	682	856	443	577	602	1,443	374
Shares Repurchased (\$M)	102	42	182	1,520	184	26	183	18	706
Dividends (\$M)	4	137	135	142	140	140	140	177	176
YTD Percent Return of OCF ⁴	75%	71%	46%	129%	116%	97%	54%	25%	58%
Days Sales Outstanding	40	44	42	42	44	48	49	45	48
Days Inventory Outstanding	29	31	32	34	31	38	38	38	42
Days Payables Outstanding	60	62	61	56	50	60	62	59	65
Cash Conversion Cycle	10	14	13	19	25	26	25	24	25
Inventory Turns	12	12	12	11	12	10	10	10	9
Worldwide Headcount	53,268	53,806	53,002	52,650	51,099	52,594	54,049	54,840	53,602

1. Includes cash, cash equivalents, restricted cash and short term investments.

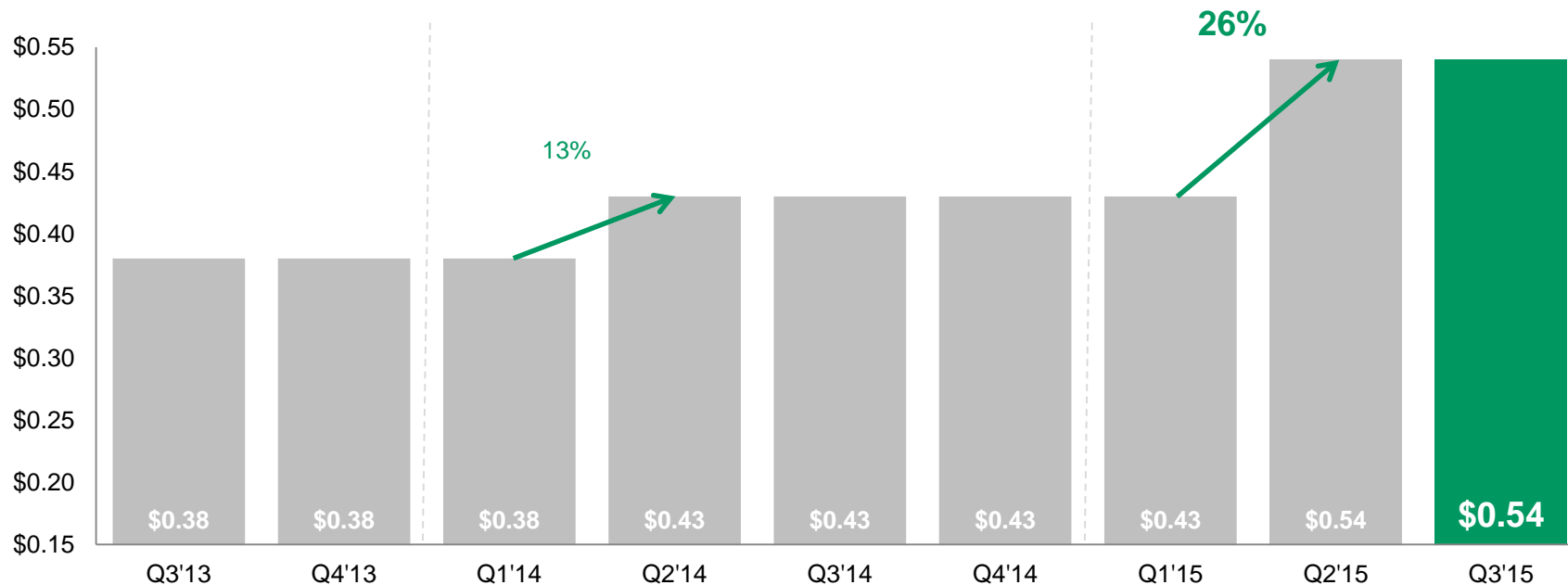
2. Cash paid for the acquisition of property, equipment, and leasehold improvements.

3. Free cash flow is a non-GAAP measure defined as cash flow from operations less capital expenditures.

4. Based on Fiscal Year.

5. Cash flow amounts include the impact of the arbitration award. See slide 17, Arbitration Award Reconciliation.

Dividend per Share Paid History





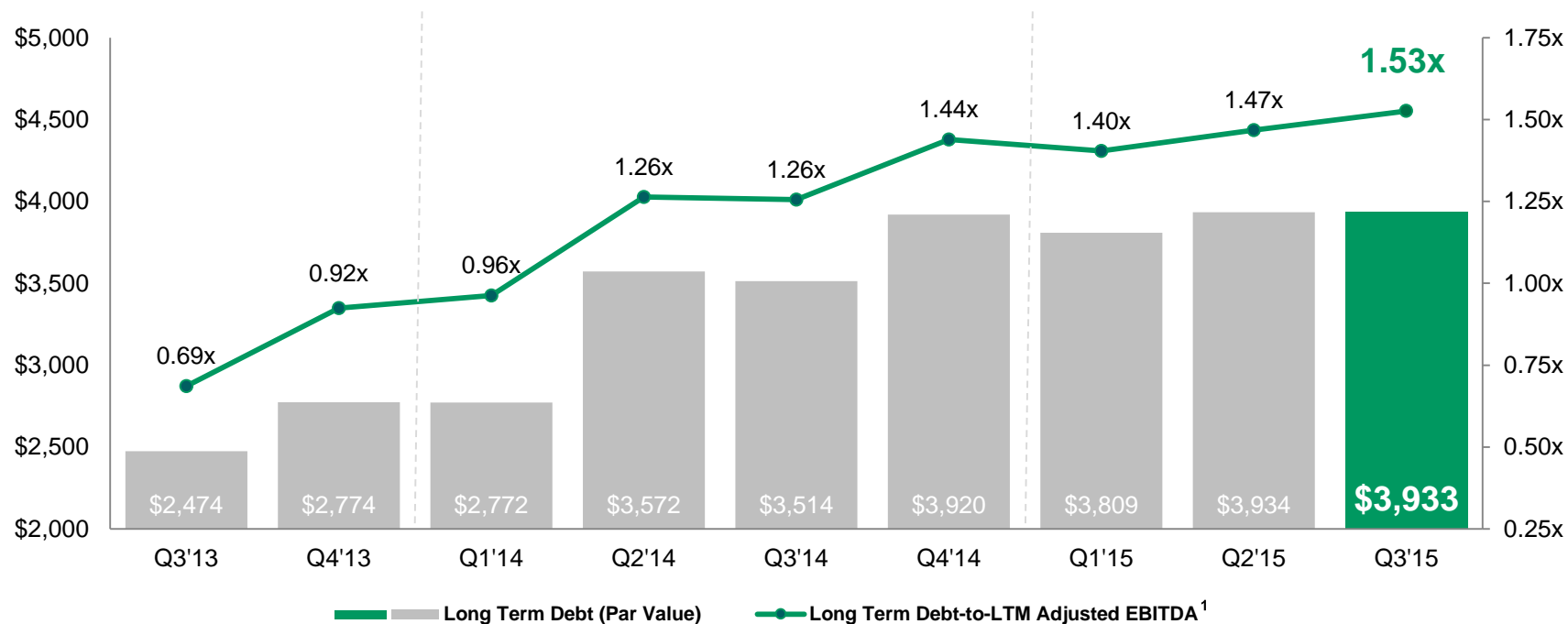
Long Term Debt Profile

Facility	Rate	Due	Par Value \$M
Senior Notes	3.75%	November 2018	\$800
Senior Notes	6.88%	May 2020 ²	\$474
Senior Notes	7.00%	November 2021	\$159
Senior Notes	4.75%	June 2023	\$1,000
Senior Notes	4.75%	January 2025	\$1,000
Senior Notes	5.75%	December 2034	\$500
Total	5.02%¹		\$3,933

1. Total interest rate represents the weighted average interest rate.

2. On April 7, 2015, Seagate announced that it intends to redeem all of its remaining outstanding 6.875% Senior Notes due 2020 (the "Notes") on May 7, 2015. The outstanding principal amount of the Notes of \$474 million has been reclassified to Current portion of long-term debt.

Long Term Debt Profile



1. See slide 16, GAAP to Adjusted EBITDA Reconciliations, for reconciliation of net income to adjusted EBITDA.

GAAP to Non-GAAP Reconciliations

(\$ Millions)	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
GAAP net income	\$416	\$348	\$427	\$428	\$395	\$320	\$381	\$933	\$291
Non-GAAP adjustments									
A. Cost of revenue	24	19	20	17	11	14	12	14	8
B. Product development	11	2	3	3	0	0	4	6	4
B. Marketing and administrative	5	4	3	3	17	(25)	4	7	7
C. Amortization of intangibles	20	20	20	25	26	27	31	32	32
D. Restructuring and other, net	1	1	2	16	2	4	6	3	14
E. Gain on arbitration award, net	-	-	-	-	-	-	-	(620)	-
F. Other income (expense), net	(13)	106	(2)	(31)	2	76	15	(104)	1
G. Provision for income taxes	0	(53)	0	(6)	0	(46)	0	181	-
Non-GAAP net income	\$464	\$447	\$473	\$455	\$453	\$370	\$453	\$452	\$357
Diluted net income per share:									
GAAP	\$1.13	\$0.94	\$1.16	\$1.24	\$1.17	\$0.95	\$1.13	\$2.78	\$0.88
Non-GAAP	\$1.26	\$1.20	\$1.29	\$1.32	\$1.34	\$1.10	\$1.34	\$1.35	\$1.08
Shares used in diluted net income share calculation	369	371	368	346	338	337	337	336	330

- A. The non-GAAP adjustments include amortization of intangibles associated with acquisitions and other acquisition related expenses.
- B. Product development and Marketing and administrative expense has been adjusted on a non-GAAP basis primarily to exclude the impact of acquisitions and integration costs associated with acquisitions.
- C. Amortization of intangibles primarily related to our acquisitions have been excluded on a non-GAAP basis.
- D. Restructuring and other, net, primarily related to a reduction in our work force as a result of our ongoing focus on cost efficiencies in all areas of our business.
- E. Gain on arbitration award, net, has been excluded on a non-GAAP basis. See slide 17, Arbitration Award Reconciliation.
- F. Other income (expense), net, has been adjusted on a non-GAAP basis mostly to exclude the net impact of losses recognized on the early redemption and repurchase of debt and an impairment charge of an equity investment. In addition, in Q2'15, partial payment of \$143 million for interest accrued on the final arbitration award amount in the Company's case against Western Digital was also excluded.
- G. Provision for income taxes, has been adjusted on a non-GAAP basis primarily to exclude the net tax expense associated with the final audit assessment from the Jiangsu Province State Tax Bureau of the People's Republic of China for changes to the Company's tax filings for the calendar years 2007 through 2013 and excludes tax items related to the release of valuation allowance on U.S. deferred tax assets associated with increases in the Company's forecasted U.S. taxable income.

Non-GAAP gross margin and Non-GAAP gross margin %: Non-GAAP gross margin is defined as Revenue less Cost of revenue less non-GAAP adjustments to Cost of revenue. Non-GAAP gross margin % is defined as Non-GAAP gross margin divided by Revenue.

Non-GAAP operating expenses, Non-GAAP operating income and Non-GAAP operating margin: Non-GAAP operating expenses is defined as Product development, Marketing and administrative, Amortization of intangibles, Restructuring and other, net and Gain on arbitration award, net excluding non-GAAP adjustments B through E noted in the table above. Non-GAAP operating income is defined as Income from operations excluding non-GAAP adjustments A through E noted in the table above. Non-GAAP operating margin is non-GAAP operating income divided by Revenue.

GAAP to Adjusted EBITDA Reconciliations

(\$ Millions)	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
Income Before Income Taxes	\$430	\$302	\$440	\$442	\$390	\$284	\$392	\$1,126	\$304
EBITDA adjustments									
Depreciation	184	185	191	189	185	183	184	169	164
Amortization	37	37	37	40	26	28	34	39	39
Interest Income	(2)	(2)	(5)	(1)	(1)	(1)	(1)	(1)	(1)
Interest Expense	53	50	44	49	52	50	54	50	48
EBITDA	\$702	\$572	\$707	\$719	\$652	\$544	\$663	\$1,383	\$554
Non-GAAP adjustments									
A. Costs of Revenue	7	2	2	2	11	14	9	7	1
B. Product Development	11	2	3	3	0	0	4	6	4
B. Marketing and administrative	5	4	3	3	17	(25)	4	7	7
C. Restructuring and other, net	1	1	2	16	2	4	6	3	14
D. Gain on arbitration award, net	-	-	-	-	-	-	-	(620)	-
E. Other income (expense), net	(13)	106	(2)	(31)	2	76	15	(104)	1
Adjusted EBITDA	\$713	\$687	\$715	\$712	\$684	\$613	\$701	\$682	\$581

A. The non-GAAP adjustments include other acquisition related expenses.

B. Product development and Marketing and administrative expense has been adjusted on a non-GAAP basis primarily to exclude the impact of acquisitions and integration costs associated with acquisitions.

C. Restructuring and other, net, primarily related to a reduction in our work force as a result of our ongoing focus on cost efficiencies in all areas of our business.

D. Gain on arbitration award, net, has been excluded on a non-GAAP basis. See slide 17, Arbitration Award Reconciliation.

E. Other income (expense), net, has been adjusted on a non-GAAP basis mostly to exclude the net impact of losses recognized on the early redemption and repurchase of debt. In addition, in Q2'15, partial payment of \$143 million for interest accrued on the final arbitration award amount in the Company's case against Western Digital was also excluded.

Arbitration Award Reconciliation

Gain on arbitration award

On October 8, 2014, the Minnesota Supreme Court ruled that the arbitration award in favor of the Company in its case against Western Digital for the misappropriation of the Company's trade secrets should be confirmed. In the arbitration award, issued on January 23, 2012, the arbitrator determined that Western Digital and its former employee had misappropriated the Company's trade secrets. The arbitrator awarded the Company \$525 million in compensatory damages and, after adding interest, issued a final award of \$630 million. Interest on the final award has been accruing at 10%. On October 14, 2014, the Company received a partial payment from Western Digital in the amount of \$773 million.

	For the Nine Months Ended April 3, 2015
Partial payment received from Western Digital (classification in Statement of Operations)	\$773 million
Award amount (<i>Gain on arbitration award, net</i>)	\$630 million
Accrued Interest (<i>Other, net</i>)	\$143 million
Less litigation and other related costs (<i>Gain on arbitration award, net</i>)	(\$10 million)
Partial payment (<i>Net Income</i>)	\$763 million¹

1. Partial payment is included in Cash Flow From Operations.



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April 17, 2015