

**SEAGATE TECHNOLOGY PLC**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In millions)  
(Unaudited)

	<b>October 2, 2015</b>	<b>July 3, 2015 (a)</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,915	\$ 2,479
Short-term investments	6	6
Accounts receivable, net	1,522	1,735
Inventories	1,098	993
Deferred income taxes	120	122
Other current assets	221	233
Total current assets	4,882	5,568
Property, equipment and leasehold improvements, net	2,247	2,278
Goodwill	874	874
Other intangible assets, net	329	370
Deferred income taxes	497	496
Other assets, net	250	259
Total Assets	\$ 9,079	\$ 9,845
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 1,890	\$ 1,540
Accrued employee compensation	196	256
Accrued warranty	124	135
Accrued expenses	508	412
Total current liabilities	2,718	2,343
Long-term accrued warranty	101	113
Long-term accrued income taxes	26	33
Other non-current liabilities	172	183
Long-term debt	4,140	4,155
Total Liabilities	7,157	6,827
Equity:		
Total Equity	1,922	3,018
Total Liabilities and Equity	\$ 9,079	\$ 9,845

(a) The information as of July 3, 2015 was derived from the Company's audited Consolidated Balance Sheet as of July 3, 2015.

**SEAGATE TECHNOLOGY PLC**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In millions, except per share data)  
(Unaudited)

	For the Three Months Ended	
	October 2, 2015	October 3, 2014
Revenue	\$ 2,925	\$ 3,785
Cost of revenue	2,236	2,734
Product development	328	342
Marketing and administrative	182	216
Amortization of intangibles	34	31
Restructuring and other, net	59	6
Total operating expenses	<u>2,839</u>	<u>3,329</u>
Income from operations	86	456
Interest income	1	1
Interest expense	(47)	(54)
Other, net	(9)	(11)
Other income (expense), net	<u>(55)</u>	<u>(64)</u>
Income before income taxes	31	392
(Benefit from) provision for income taxes	(3)	11
Net income	<u>\$ 34</u>	<u>\$ 381</u>
Net income per share:		
Basic	\$ 0.11	\$ 1.17
Diluted	0.11	1.13
Number of shares used in per share calculations:		
Basic	302	327
Diluted	308	337
Cash dividends declared per Seagate Technology plc ordinary share	\$ 0.54	\$ 0.43

**SEAGATE TECHNOLOGY PLC**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In millions)  
(Unaudited)

	<b>For the three months ended</b>	
	<b>October 2, 2015</b>	<b>October 3, 2014</b>
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 34	\$ 381
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	208	218
Share-based compensation	33	42
Deferred income taxes	—	2
Loss on redemption and repurchase of debt	—	14
Other non-cash operating activities, net	10	(2)
Changes in operating assets and liabilities:		
Accounts receivable, net	213	(179)
Inventories	(105)	(49)
Accounts payable	426	183
Accrued employee compensation	(60)	(51)
Accrued expenses, income taxes and warranty	63	29
Vendor non-trade receivables	16	21
Other assets and liabilities	(14)	(7)
Net cash provided by operating activities	<u>824</u>	<u>602</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, equipment and leasehold improvements	(209)	(172)
Purchases of short-term investments	—	(5)
Maturities of short-term investments	—	14
Cash used in acquisition of business	—	(450)
Other investing activities, net	—	(6)
Net cash used in investing activities	<u>(209)</u>	<u>(619)</u>
<b>FINANCING ACTIVITIES</b>		
Redemption and repurchase of debt	(15)	(124)
Taxes paid related to net share settlement of equity awards	(53)	—
Repurchases of ordinary shares	(983)	(183)
Dividends to shareholders	(163)	(140)
Proceeds from issuance of ordinary shares under employee stock plans	40	39
Other financing activities, net	(4)	(12)
Net cash used in financing activities	<u>(1,178)</u>	<u>(420)</u>
Effect of foreign currency exchange rate changes on cash and cash equivalents	<u>(1)</u>	<u>(7)</u>
(Decrease) increase in cash and cash equivalents	(564)	(444)
Cash and cash equivalents at the beginning of the period	2,479	2,634
Cash and cash equivalents at the end of the period	<u>\$ 1,915</u>	<u>\$ 2,190</u>

## **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 revenue, 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 it is consistent with the financial models and estimates published by financial analysts who follow the Company.

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.

**SEAGATE TECHNOLOGY PLC**  
**ADJUSTMENTS TO GAAP NET INCOME AND DILUTED NET INCOME PER SHARE**  
(In millions, except per share amounts)  
(Unaudited)

		<b>For the Three Months Ended October 2, 2015</b>
GAAP net income		\$ 34
Non-GAAP adjustments:		
Revenue	A	2
Cost of revenue	B	17
Product development	C	6
Marketing and administrative	D	4
Amortization of intangibles	E	33
Restructuring and other, net	F	59
Other expense, net	G	10
Non-GAAP net income		\$ 165
Diluted net income per share:		
GAAP	\$	0.11
Non-GAAP	\$	0.54
Shares used in diluted net income per share calculation		308

**A** For the three months ended October 2, 2015, Revenue has been adjusted on a non-GAAP basis to exclude sales return provision for certain products that will be discontinued.

**B** For the three months ended October 2, 2015, Cost of revenue has been adjusted on a non-GAAP basis to exclude amortization of intangibles associated with acquisitions, other acquisition related expenses, and write off of certain discontinued inventory and assets.

**C** For the three months ended October 2, 2015, Product development expenses have been adjusted on a non-GAAP basis to exclude the impact of integration costs associated with acquisitions.

**D** For the three months ended October 2, 2015, Marketing and administrative expenses have been adjusted on a non-GAAP basis to exclude the write off of certain fixed assets and the impact of integration costs associated with acquisitions.

**E** For the three months ended October 2, 2015, Amortization of intangibles primarily related to our acquisitions has been excluded on a non-GAAP basis.

**F** For the three months ended October 2, 2015, 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, has been excluded on a non-GAAP basis.

**G** For the three months ended October 2, 2015, Other income (expense), net has been adjusted on a non-GAAP basis to exclude the impairment of a certain strategic investment.