

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

	<b>April 3, 2015</b>	<b>June 27, 2014 (a)</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,604	\$ 2,634
Short-term investments	6	20
Restricted cash and investments	4	4
Accounts receivable, net	1,769	1,729
Inventories	1,083	985
Deferred income taxes	121	126
Other current assets	244	279
Total current assets	5,831	5,777
Property, equipment and leasehold improvements, net	2,182	2,136
Goodwill	871	537
Other intangible assets, net	410	359
Deferred income taxes	499	499
Other assets, net	243	184
Total Assets	\$ 10,036	\$ 9,492
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 1,683	\$ 1,549
Accrued employee compensation	256	296
Accrued warranty	147	148
Accrued expenses	483	405
Current portion of long-term debt	474	—
Total current liabilities	3,043	2,398
Long-term accrued warranty	126	125
Long-term accrued income taxes	34	90
Other non-current liabilities	185	127
Long-term debt	3,457	3,920
Total Liabilities	6,845	6,660
Equity:		
Total Equity	3,191	2,832
Total Liabilities and Equity	\$ 10,036	\$ 9,492

(a) The information as of June 27, 2014 was derived from the Company's audited Consolidated Balance Sheet as of June 27, 2014.

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

	For the Three Months Ended		For the Nine Months Ended	
	April 3, 2015	March 28, 2014	April 3, 2015	March 28, 2014
Revenue	\$ 3,330	\$ 3,406	\$ 10,811	\$ 10,423
Cost of revenue	2,375	2,447	7,778	7,502
Product development	346	297	1,029	903
Marketing and administrative	219	190	654	561
Amortization of intangibles	33	26	95	71
Restructuring and other, net	14	2	24	20
Gain on arbitration award, net	—	—	(620)	—
Total operating expenses	2,987	2,962	8,960	9,057
Income from operations	343	444	1,851	1,366
Interest income	1	1	4	7
Interest expense	(48)	(52)	(152)	(145)
Other, net	8	(3)	118	44
Other income (expense), net	(39)	(54)	(30)	(94)
Income before income taxes	304	390	1,821	1,272
Provision for income taxes	13	(5)	216	22
Net income	\$ 291	\$ 395	\$ 1,605	\$ 1,250
Net income per share attributable to Seagate Technology plc ordinary shareholders:				
Basic	\$ 0.90	\$ 1.21	\$ 4.92	\$ 3.68
Diluted	0.88	1.17	4.81	3.56
Number of shares used in per share calculations:				
Basic	323	327	326	340
Diluted	330	338	334	351
Cash dividends declared per Seagate Technology plc ordinary share	\$ 0.54	\$ 0.43	\$ 1.51	\$ 1.24

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

	<b>For the Nine Months Ended</b>	
	<b>April 3, 2015</b>	<b>March 28, 2014</b>
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 1,605	\$ 1,250
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	629	668
Share-based compensation	106	87
Deferred income taxes	(3)	(17)
(Gain) loss on sale of property and equipment	1	(6)
Gain on sale of investments	—	(32)
Loss on redemption and repurchase of debt	52	7
Other non-cash operating activities, net	(9)	16
Changes in operating assets and liabilities:		
Restricted cash and investments	—	104
Accounts receivable, net	(36)	32
Inventories	(61)	8
Accounts payable	149	(274)
Accrued employee compensation	(40)	(123)
Accrued expenses, income taxes and warranty	(9)	16
Vendor non-trade receivables	30	204
Other assets and liabilities	5	41
Net cash provided by operating activities	<u>2,419</u>	<u>1,981</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, equipment and leasehold improvements	(546)	(428)
Proceeds from the sale of strategic investments	—	72
Purchases of short-term investments	(5)	(87)
Sales of short-term investments	4	463
Maturities of short-term investments	19	61
Cash used in acquisition of business	(450)	—
Other investing activities, net	(90)	(29)
Net cash (used in) provided by investing activities	<u>(1,068)</u>	<u>52</u>
<b>FINANCING ACTIVITIES</b>		
Redemption and repurchase of debt	(536)	(64)
Net proceeds from issuance of long-term debt	498	791
Repurchases of ordinary shares	(907)	(1,886)
Dividends to shareholders	(493)	(417)
Proceeds from issuance of ordinary shares under employee stock plans	91	98
Other financing activities, net	(12)	(5)
Net cash used in financing activities	<u>(1,359)</u>	<u>(1,483)</u>
Effect of foreign currency exchange rate changes on cash and cash equivalents	(22)	1
Increase in cash and cash equivalents	(30)	551
Cash and cash equivalents at the beginning of the period	2,634	1,708
Cash and cash equivalents at the end of the period	<u>\$ 2,604</u>	<u>\$ 2,259</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 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 we believe they are generally consistent with 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)

	For the Three Months Ended April 3, 2015	For the Nine Months Ended April 3, 2015
GAAP net income	\$ 291	\$ 1,605
Non-GAAP adjustments:		
Cost of revenue	A 8	34
Product development	B 4	14
Marketing and administrative	B 7	18
Amortization of intangibles	C 32	94
Restructuring and other, net	D 14	23
Gain on arbitration award, net	E —	(620)
Other income (expense), net	F 1	(88)
Provision for income taxes	G —	181
Non-GAAP net income	<u>\$ 357</u>	<u>\$ 1,261</u>
Diluted net income per share:		
GAAP	\$ 0.88	\$ 4.81
Non-GAAP	\$ 1.08	\$ 3.78
Shares used in diluted net income per share calculation	330	334

**A** For the three and nine months ended April 3, 2015, Cost of revenue on a GAAP basis totaled \$2.4 billion and \$7.8 billion, while non-GAAP Cost of revenue, which excludes the net impact of certain adjustments, was \$2.4 billion and \$7.7 billion, respectively. The non-GAAP adjustments include amortization of intangibles associated with acquisitions and other acquisition related expenses.

**B** For the three and nine months ended April 3, 2015, Product development and Marketing and administrative expenses have been adjusted on a non-GAAP basis to exclude the impact of integration costs associated with acquisitions.

**C** For the three and nine months ended April 3, 2015, Amortization of intangibles primarily related to our acquisitions has been excluded on a non-GAAP basis.

**D** For the three and nine months ended April 3, 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.

**E** For the nine months ended April 3, 2015, Gain on arbitration award, net, has been adjusted on a non-GAAP basis to exclude the final award amount of \$630 million, less litigation and other related costs of \$10 million, related to the arbitration award in the Company's case against Western Digital for the misappropriation of the Company's trade secrets.

**F** For the three and nine months ended April 3, 2015, Other income (expense), net has been adjusted on a non-GAAP basis mostly to exclude the partial payment of \$143 million for interest accrued on the final arbitration award amount in the Company's case against Western Digital and the net impact of losses recognized on the early redemption and repurchase of debt.

**G** For the nine months ended April 3, 2015, 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.