

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

	<b>April 1, 2011</b>	<b>July 2, 2010 (a)</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,201	\$ 2,263
Short-term investments	279	252
Restricted cash and investments	103	114
Accounts receivable, net	1,394	1,400
Inventories	834	757
Deferred income taxes	107	118
Other current assets	<u>586</u>	<u>514</u>
Total current assets	5,504	5,418
Property, equipment and leasehold improvements, net	2,208	2,263
Deferred income taxes	373	395
Other assets, net	<u>195</u>	<u>171</u>
Total assets	<u>\$ 8,280</u>	<u>\$ 8,247</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 1,778	\$ 1,780
Accrued employee compensation	136	263
Accrued warranty	198	189
Accrued expenses	419	422
Accrued income taxes	14	14
Current portion of long-term debt	<u>560</u>	<u>329</u>
Total current liabilities	3,105	2,997
Long-term accrued warranty	163	183
Long-term accrued income taxes	68	59
Other non-current liabilities	105	111
Long-term debt, less current portion	<u>2,352</u>	<u>2,173</u>
Total liabilities	5,793	5,523
Shareholders' equity:		
Total shareholders' equity	<u>2,487</u>	<u>2,724</u>
Total liabilities and shareholders' equity	<u>\$ 8,280</u>	<u>\$ 8,247</u>

(a) The information in this column was derived from the Company's audited Consolidated Balance Sheet as of July 2, 2010.

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

	<u>For the Three Months Ended</u>		<u>For the Nine Months Ended</u>	
	<u>April 1, 2011</u>	<u>April 2, 2010</u>	<u>April 1, 2011</u>	<u>April 2, 2010</u>
Revenue	\$ 2,695	\$ 3,049	\$ 8,112	\$ 8,738
Cost of revenue	2,179	2,148	6,517	6,261
Product development	224	224	646	658
Marketing and administrative	110	105	317	323
Amortization of intangibles	—	8	2	23
Restructuring and other, net	3	4	14	50
Impairment of long-lived assets	—	—	—	64
Total operating expenses	<u>2,516</u>	<u>2,489</u>	<u>7,496</u>	<u>7,379</u>
Income from operations	179	560	616	1,359
Interest income	2	2	6	4
Interest expense	(59)	(41)	(151)	(127)
Other, net	<u>—</u>	<u>1</u>	<u>(21)</u>	<u>(7)</u>
Other expense, net	<u>(57)</u>	<u>(38)</u>	<u>(166)</u>	<u>(130)</u>
Income before income taxes	122	522	450	1,229
Provision for (benefit from) income taxes	<u>29</u>	<u>4</u>	<u>58</u>	<u>(1)</u>
Net income	<u>\$ 93</u>	<u>\$ 518</u>	<u>\$ 392</u>	<u>\$ 1,230</u>
Net income per share:				
Basic	\$ 0.21	\$ 1.05	\$ 0.85	\$ 2.48
Diluted	0.21	1.00	0.83	2.38
Number of shares used in per share calculations:				
Basic	437	493	459	495
Diluted	453	520	475	519

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

	<b>For the Nine Months Ended</b>	
	<b>April 1, 2011</b>	<b>April 2, 2010</b>
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 392	\$ 1,230
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	567	584
Share-based compensation	38	38
Loss on redemption of debt	26	—
Impairment of long-lived assets	—	64
Deferred income taxes	35	10
Other non-cash operating activities, net	(5)	22
Changes in operating assets and liabilities:		
Accounts receivable, net	7	(418)
Inventories	(77)	(98)
Accounts payable	181	242
Accrued employee compensation	(127)	70
Accrued expenses, income taxes and warranty	(10)	(131)
Other assets and liabilities	(80)	(5)
Net cash provided by operating activities	<u>947</u>	<u>1,608</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, equipment and leasehold improvements	(685)	(372)
Purchases of short-term investments	(208)	(278)
Sales of short-term investments	118	75
Maturities of short-term investments	59	101
Change in restricted cash and investments	13	26
Other investing activities, net	—	1
Net cash used in investing activities	<u>(703)</u>	<u>(447)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	—	15
Repayment of short-term borrowings	—	(365)
Repayments of long-term debt and capital lease obligations	(377)	(385)
Net proceeds from issuance of long-term debt	736	—
Repurchases of ordinary shares	(710)	(251)
Change in restricted cash and investments	2	379
Proceeds from issuance of ordinary shares under employee stock plans	48	81
Other financing activities, net	(5)	—
Net cash used in financing activities	<u>(306)</u>	<u>(526)</u>
Increase (decrease) in cash and cash equivalents	(62)	635
Cash and cash equivalents at the beginning of the period	<u>2,263</u>	<u>1,427</u>
Cash and cash equivalents at the end of the period	<u>\$ 2,201</u>	<u>\$ 2,062</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 and diluted net income per share, 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 its 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 the Company believes are not indicative of its 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 the Company's 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 April 1, 2011</b>	<b>For the Nine Months Ended April 1, 2011</b>
GAAP net income	\$ 93	\$ 392
Non-GAAP adjustments:		
Loss on redemption of debt	<b>A</b> 2	26
Restructuring charges	<b>B</b> 3	14
Amortization of purchased intangible assets	<b>C</b> 1	6
Adjustments for taxes	<b>D</b> <u>14</u>	<u>14</u>
Non-GAAP net income	<u>\$ 113</u>	<u>\$ 452</u>
Diluted net income per share:		
GAAP	\$ 0.21	\$ 0.83
Non-GAAP	\$ 0.25	\$ 0.95
Shares used in diluted net income per share calculation:	453	475

**A** For the three months ended April 1, 2011, the Company incurred a loss upon the partial redemption of its 10.00% Senior Secured Second-Priority Notes due 2014. The nine months ended April 1, 2011, included the loss upon redemption of its 5.75% Subordinated Debentures due March 2012 and its 2.375% Convertible Senior Notes due August 2012.

**B** For the three and nine months ended April 1, 2011, the Company recorded restructuring charges associated with previously announced restructuring activities.

**C** For the three and nine months ended April 1, 2011, amortization of purchased intangible assets acquired in acquisitions was allocated as follows:

	<b>For the Three Months Ended April 1, 2011</b>	<b>For the Nine Months Ended April 1, 2011</b>
Cost of revenue	\$ 1	\$ 4
Amortization of intangibles	<u>—</u>	<u>2</u>
Total amortization of purchased intangible assets	<u>\$ 1</u>	<u>\$ 6</u>

**D** To exclude the tax effects, where applicable, of adjustments to GAAP net income. In addition, during the three and nine months ended April 1, 2011, the Company recorded discrete tax charges of approximately \$14 million primarily as a result of information obtained during the March quarter related to ongoing negotiations with non-U.S. tax authorities on tax positions taken in prior fiscal years.