

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

	March 30, 2012	July 1, 2011^(a)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,638	\$ 2,677
Short-term investments	408	474
Restricted cash and investments	98	102
Accounts receivable, net	2,478	1,495
Inventories	841	872
Deferred income taxes	97	99
Other current assets	808	706
Total current assets	6,368	6,425
Property, equipment and leasehold improvements, net	2,179	2,245
Goodwill	464	31
Other intangible assets	541	1
Deferred income taxes	378	374
Other assets, net	134	149
Total Assets	<u>\$ 10,064</u>	<u>\$ 9,225</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,172	\$ 2,063
Accrued employee compensation	262	199
Accrued warranty	221	189
Accrued expenses	499	452
Current portion of long-term debt	-	560
Total current liabilities	3,154	3,463
Long-term accrued warranty	154	159
Long-term accrued income taxes	80	67
Other non-current liabilities	140	121
Long-term debt, less current portion	2,862	2,952
Total Liabilities	6,390	6,762
Shareholders' equity:		
Total Shareholders' Equity	3,674	2,463
Total Liabilities and Shareholders' Equity	<u>\$ 10,064</u>	<u>\$ 9,225</u>

(a) The information in this column was derived from the Company's audited Consolidated Balance Sheet as of July 1, 2011.

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	
	March 30,	April 1,	March 30,	April 1,
	2012	2011	2012	2011
Revenue	\$ 4,450	\$ 2,695	\$ 10,457	\$ 8,112
Cost of revenue	2,809	2,179	7,257	6,517
Product development	270	224	737	646
Marketing and administrative	142	110	388	317
Amortization of intangibles	18	-	20	2
Restructuring and other, net	1	3	4	14
Total operating expenses	<u>3,240</u>	<u>2,516</u>	<u>8,406</u>	<u>7,496</u>
Income from operations	1,210	179	2,051	616
Interest income	2	2	5	6
Interest expense	(59)	(59)	(185)	(151)
Other, net	6	-	(2)	(21)
Other expense, net	<u>(51)</u>	<u>(57)</u>	<u>(182)</u>	<u>(166)</u>
Income before income taxes	1,159	122	1,869	450
Provision for income taxes	13	29	20	58
Net income	<u>\$ 1,146</u>	<u>\$ 93</u>	<u>\$ 1,849</u>	<u>\$ 392</u>
Net income per share:				
Basic	\$ 2.57	\$ 0.21	\$ 4.29	\$ 0.85
Diluted	2.48	0.21	4.16	0.83
Number of shares used in per share calculations:				
Basic	446	437	431	459
Diluted	463	453	445	475
Cash dividends declared per share	\$ 0.25	\$ -	\$ 0.61	\$ -

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

	For the Nine Months Ended	
	March 30,	April 1,
	2012	2011
OPERATING ACTIVITIES		
Net income	\$ 1,849	\$ 392
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	597	567
Share-based compensation	38	38
Loss on redemption of debt	17	26
Gain on sale of property and equipment	(18)	(4)
Gain on sale of equity investments	(12)	-
Deferred income taxes	(5)	35
Other non-cash operating activities, net	7	(1)
Changes in operating assets and liabilities:		
Accounts receivable, net	(983)	7
Inventories	167	(77)
Accounts payable	191	181
Accrued employee compensation	63	(127)
Accrued expenses, income taxes and warranty	(28)	(10)
Other assets and liabilities	(66)	(80)
Net cash provided by operating activities	<u>1,817</u>	<u>947</u>
INVESTING ACTIVITIES		
Acquisition of property, equipment and leasehold improvements	(497)	(685)
Proceeds from the sale of property and equipment	11	2
Purchases of short-term investments	(382)	(208)
Sales of short-term investments	330	118
Maturities of short-term investments	118	59
Cash used in acquisition of Samsung HDD assets and liabilities	(561)	-
Change in restricted cash and investments	4	13
Other investing activities, net	12	(2)
Net cash used in investing activities	<u>(965)</u>	<u>(703)</u>
FINANCING ACTIVITIES		
Repayments of long-term debt and capital lease obligations	(670)	(377)
Net proceeds from issuance of long-term debt	-	736
Repurchases of ordinary shares	(1,172)	(710)
Proceeds from issuance of ordinary shares under employee stock plans	214	48
Dividends to shareholders	(266)	-
Other financing activities, net	3	(3)
Net cash used in financing activities	<u>(1,891)</u>	<u>(306)</u>
Decrease in cash and cash equivalents	(1,039)	(62)
Cash and cash equivalents at the beginning of the period	<u>2,677</u>	<u>2,263</u>
Cash and cash equivalents at the end of the period	<u>\$ 1,638</u>	<u>\$ 2,201</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)

	For the Three Months Ended March 30, 2012	For the Nine Months Ended March 30, 2012
GAAP net income	\$ 1,146	\$ 1,849
Non-GAAP adjustments:		
Total operating expenses	A 76	95
Other expense, net	B -	12
Provision for (benefit from) income taxes	C -	(7)
Non-GAAP net income	<u>\$ 1,222</u>	<u>\$ 1,949</u>
Diluted net income per share:		
GAAP	\$ 2.48	\$ 4.16
Non-GAAP	\$ 2.64	\$ 4.38
Shares used in diluted net income per share calculation	463	445

A For the three months ended March 30, 2012, Total operating expenses on a GAAP basis totaled \$3,240 million, while Non-GAAP Total operating expenses, which excludes the net impact of certain adjustments was \$3,164 million. The non-GAAP adjustments primarily include acquisition and integration costs associated with the acquisition of Samsung's HDD business, which was completed in December 2011, amortization expense of other intangible assets, and the accrual of the 2012 Voluntary Early Retirement Program ("2012 VERP") offered by the Company to certain of its employees in the U.S. in January 2012.

For the nine months ended March 30, 2012, Total operating expenses on a GAAP basis totaled \$8,406 million, while Non-GAAP Total operating expenses, which excludes the net impact of certain adjustments, was \$8,311 million. The non-GAAP adjustments reflect the net impact from acquisition and integration costs associated with the acquisition of Samsung's HDD business, which was completed in December 2011, amortization expense of other intangible assets, the accrual of the 2012 VERP offered by the Company to certain of its employees in the U.S. in January 2012, adjustments to the expected exit costs related to certain leased and sub-leased facilities and an increase in reserves related to post-employment benefits related to existing restructuring plans, offset by the reversal of previously accrued litigation costs and a gain on the sale of a building.

B For the three months ended March 30, 2012, Other expense, net on a GAAP and a Non-GAAP basis was an expense of \$51 million. The non-GAAP adjustments include a loss recognized on the redemption of \$66 million principal amount of our 10% secured notes, offset by a gain recognized upon sales of certain strategic investments during the quarter.

For the nine months ended March 30, 2012, Other expense, net on a GAAP basis was an expense of \$182 million, while on a Non-GAAP basis, which excludes the net impact of certain adjustments, it was an expense of \$170 million. The non-GAAP adjustments include a loss recognized on the redemption of \$96 million principal amount of our 10% secured notes and a write-down of a strategic investment, offset by a gain recognized upon sales of certain other strategic investments.

C For the nine months ended March 30, 2012, Non-GAAP net income excludes a discrete tax item for release of valuation allowance on U.S. deferred tax assets associated with increases in the Company's forecasted U.S. taxable income.