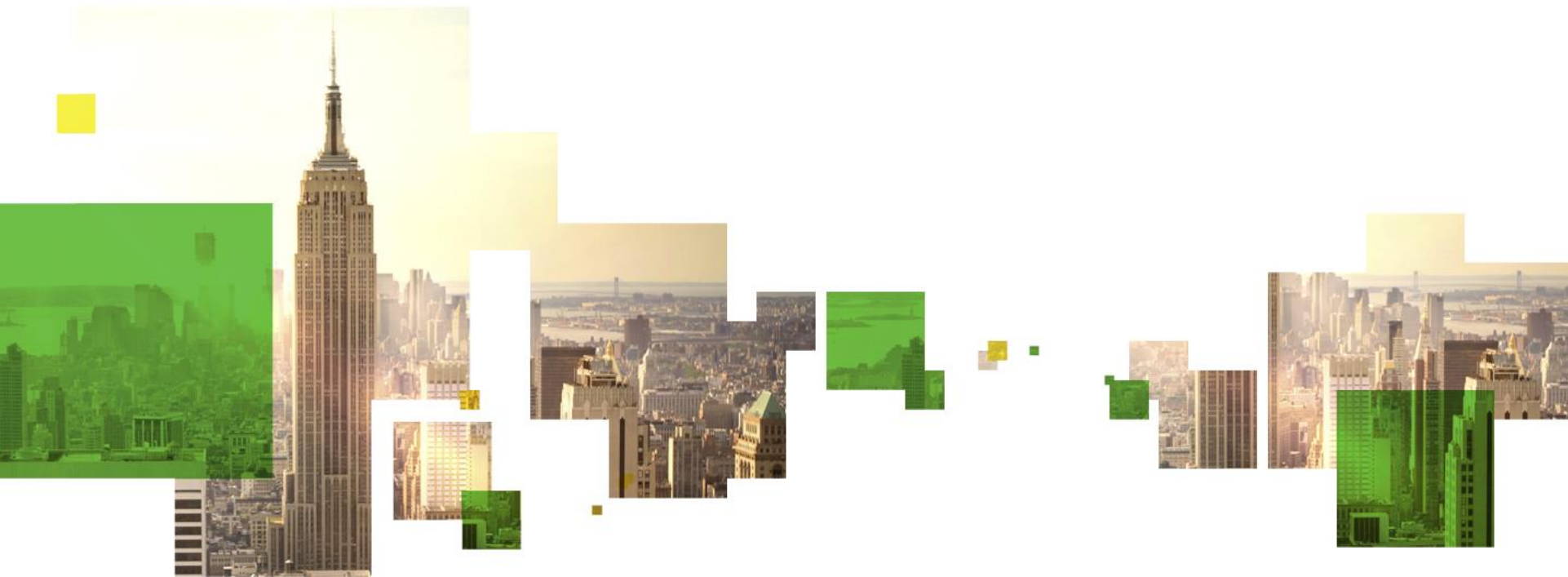


FISCAL Q3 2016



SUPPLEMENTAL FINANCIAL INFORMATION

April 29, 2016



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 the Company's plans, strategies and prospects and estimates of industry growth for the fiscal quarter ended July 1, 2016 and beyond as well as our plans with respect to future dividend payments. 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; 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 the Company's margins and international sales; possible excess industry supply with respect to particular disk drive products; disruptions to its supply chain or production capabilities; unexpected advances in competing technologies; the development and introduction of products based on new technologies and expansion into new data storage markets; our ability to comply with certain covenants in our credit facilities with respect to financial ratios and financial condition tests; cyber-attacks or other data breaches that disrupt its operations or results in the dissemination of proprietary or confidential information; and the Company's ability to achieve projected cost savings in connection with restructuring plans and fluctuations in interest rates. Information concerning risks, uncertainties and other factors that could cause results to differ materially from the expectations described in this report is contained in the Company's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on August 11, 2015, the "Risk Factors" section of which is incorporated into this report 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 revenue, net income, diluted earnings per share, earnings per share, gross margin, gross margin as a percentage of revenue, operating expenses, free cash flow, and EBITDA 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. 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



Revenue of **\$2.6 billion**

Non-GAAP operating expense of **\$439 million**, reduced **21%** year-over-year

Paid quarterly cash dividend of **\$0.63** per share, increased **17%** year-over-year

Returned **\$1.6 billion** to shareholders in the form of dividends and share redemptions YTD

Shipped **55.6 exabytes**, grew **2%** year-over-year; shipped **19.9 exabytes** in Enterprise, grew **16%** year-over-year

Average capacity per drive of **1,417 GB**, grew **30%** year-over-year

Product and Technology Development Highlights



- Announced it is now shipping in volume its 10TB helium enterprise drives— the Seagate® Enterprise Capacity 3.5 HDD.
- Launched the world's first 8TB surveillance HDD, Seagate® Surveillance HDD, the largest drive of its kind for surveillance applications in the industry.
- Launched the Seagate® NAS HDD 8TB, the highest-capacity drive optimized for RAID, NAS and server storage.
- Shipping the world's first 2TB, 7mm HDD — the Seagate® Mobile HDD. This ultra-high capacity mobile hard drive is the lightest, fastest and most power efficient 7mm drive in the industry, enabling a richer and more rewarding experience for users without compromising demand for laptops that are slim, light, and powerful.
- Announced the launch of Seagate® Innov8™, the world's first USB-powered desktop hard drive. Seagate Innov8 features innovation from the inside out with its industry-leading 8TB capacity, trend-setting Ignition Boost Technology and expressive design.
- Unveiled a production-ready unit of the fastest single SSD demonstrated to date, with throughput performance of 10 GB/s. The 10GB/s unit, which is expected to be released this summer, is more than 4GB/s faster than the previous fastest-industry SSD on the market. It also meets the OCP storage specifications being driven by Facebook, which will help reduce the power and cost burdens traditionally associated with operating at this level of performance.
- Announced it will incorporate Intel Enterprise Edition for Lustre® (IEEL), a big data software platform, into its market-leading ClusterStor® storage architecture for high-performance computing (HPC).
- Signed a Cooperative Research and Development Agreement with Los Alamos National Laboratory aimed at determining innovative new ways to keep massive amounts of stored data available for rapid access, while also minimizing power consumption and improving the quality of data-driven research. Seagate and Los Alamos are working together on power-managed disk and software solutions for deep data archiving, which represents one of the biggest challenges faced by organizations that must juggle increasingly massive amounts of data using very little additional energy.

Quarterly Financial Trends

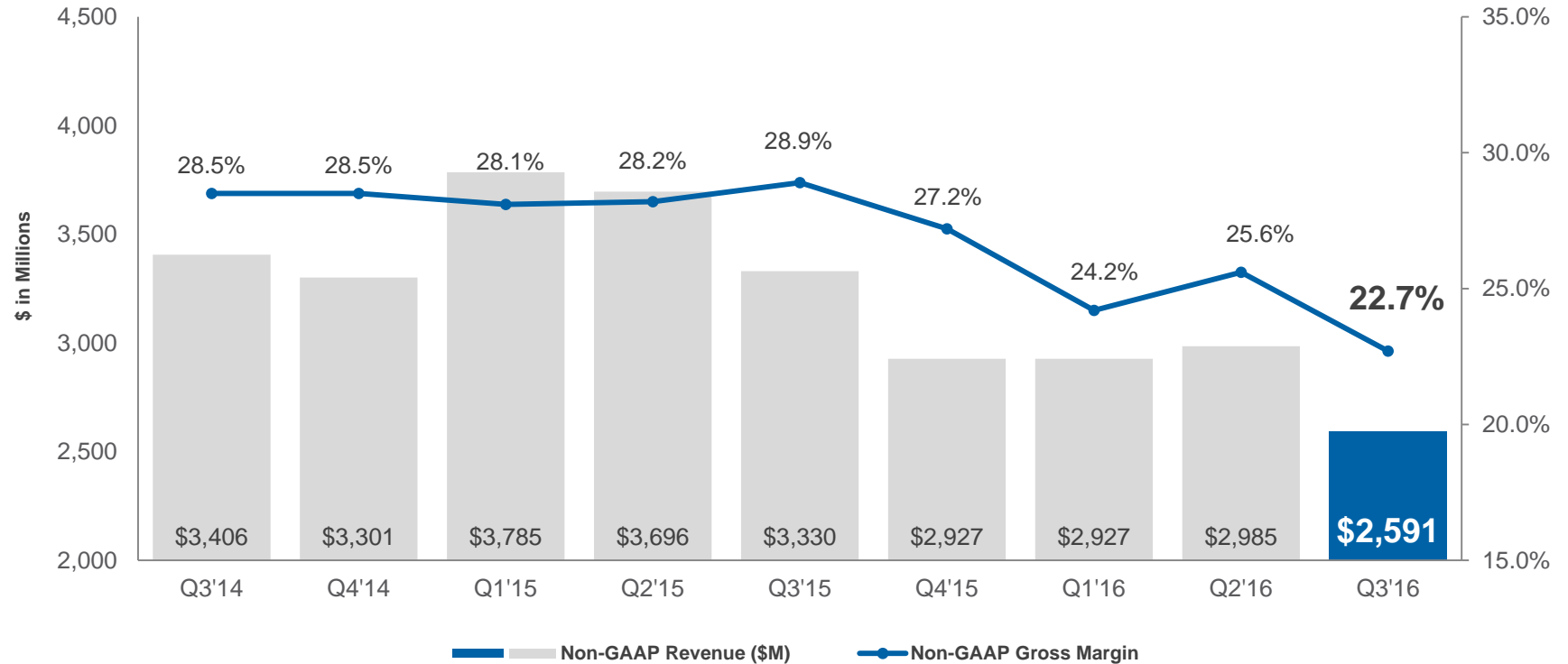
	Q3'14	Q4'14	Q1'15	Q2'15 ²	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16
Revenue (\$M)	3,406	3,301	3,785	3,696	3,330	2,927	2,925	2,986	2,595
Gross Margin %	28.2%	28.0%	27.8%	27.8%	28.7%	26.5%	23.6%	24.8%	20.2%
Operating Expenses (\$M)	515	515	595	(26)	612	570	603	512	497
Net Income (loss) (\$M)	395	320	381	933	291	138	34	165	(21)
Diluted EPS (LPS)	\$1.17	\$0.95	\$1.13	\$2.78	\$0.88	\$0.43	\$0.11	\$0.55	(\$0.07)
Non-GAAP Results¹									
Revenue (\$M)	3,406	3,301	3,785	3,696	3,330	2,927	2,927	2,985	2,591
Gross Margin %	28.5%	28.5%	28.1%	28.2%	28.9%	27.2%	24.2%	25.6%	22.7%
Operating Expenses (\$M)	470	509	550	546	555	515	501	453	439
Net Income (\$M)	453	370	453	452	357	250	165	246	66
Diluted EPS ³	\$1.34	\$1.10	\$1.34	\$1.35	\$1.08	\$0.77	\$0.54	\$0.82	\$0.22
End of Qtr Actual Share Count (M)	326	327	327	329	318	315	299	296	298
Diluted Shares O/S for EPS (M)	338	337	337	336	330	323	308	301	298
Dividend Per Share Paid	\$0.43	\$0.43	\$0.43	\$0.54	\$0.54	\$0.54	\$0.54	\$0.63	\$0.63
Shares Repurchased (M)	4	0.5	3	0.3	12	3.2	20	2.9	-
Fiscal YTD Shares Repurchased (M)	41	41	3	3	15.3	18.5	20	22.9	22.9
Revenue by Product Line (\$M)									
HDD	3,363	3,144	3,582	3,470	3,102	2,713	2,716	2,727	2,371
Enterprise Systems, Flash, and Other	43	157	203	226	228	214	209	259	224

1. See 'GAAP to Non-GAAP Reconciliations' slide for GAAP reconciliation.

2. In Q2'15, Statement of Operations includes the impact of 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.

3. The number of shares used in the Non-GAAP diluted net income per share computation for Q3'16 is 299 million as it includes dilutive shares related to employee equity award plans. Such shares were excluded from the computation of GAAP diluted net income per share as to do so would be anti-dilutive.

Non-GAAP: Revenue and Gross Margin

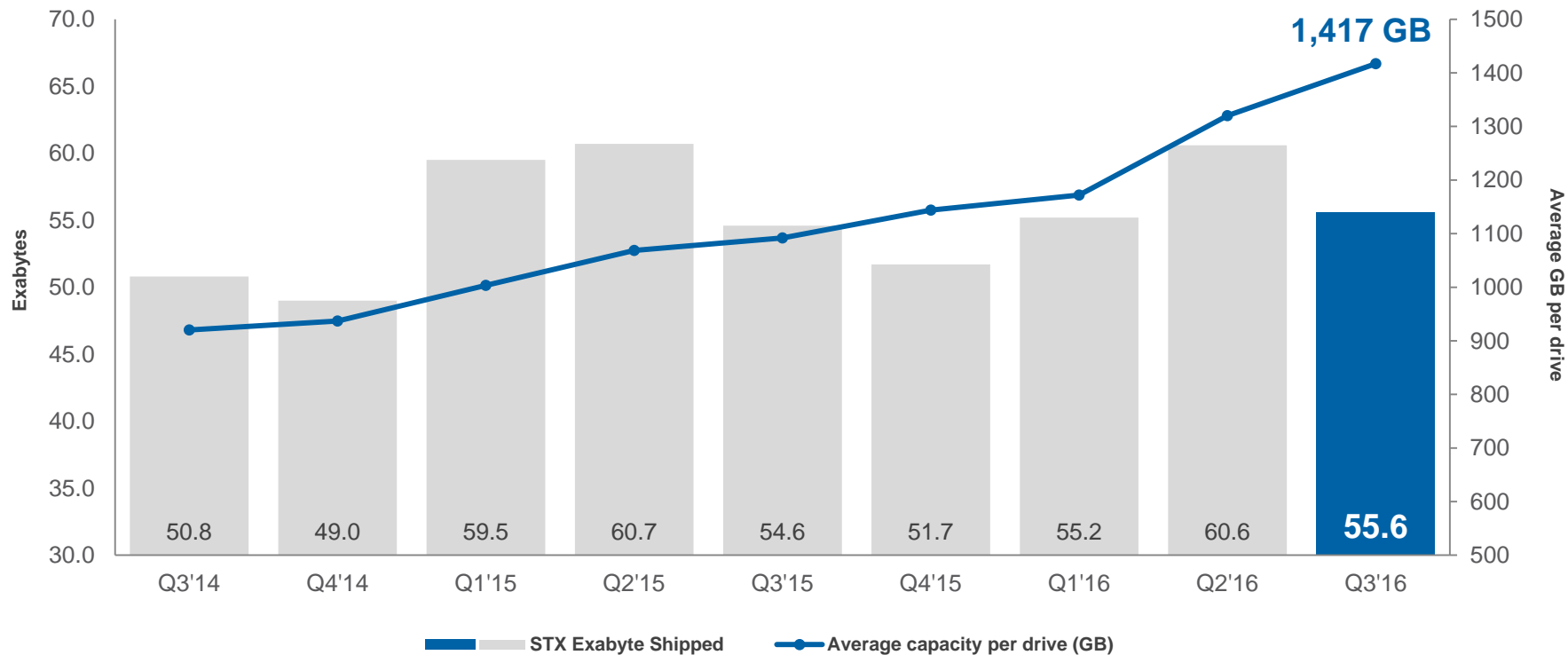


Product Mix Trends

	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16
<u>Enterprise</u>									
Capacity (EB)	10.6	10.6	14.7	16.7	17.1	15.5	14.6	17.7	19.9
Mission Critical	1.8	1.9	2.1	2.4	2.5	2.4	2.4	2.6	2.2
Nearline	8.8	8.7	12.5	14.3	14.6	13.2	12.2	15.1	17.7
Units (M)	7.7	7.2	8.6	9.0	9.0	8.1	7.6	8.1	7.7
Mission Critical	3.8	3.5	3.9	4.0	4.3	3.7	3.7	3.7	3.2
Nearline	3.9	3.7	4.7	5.0	4.7	4.4	3.9	4.4	4.5
Average Capacity per Drive (GB)	1,382	1,467	1,706	1,896	1,957	1,936	1,925	2,188	2,592
Mission Critical	481	531	543	578	588	631	650	691	687
Nearline	2,256	2,395	2,679	2,923	3,152	3,048	3,119	3,452	3,941
<u>Client Compute</u>									
Units (M)	36.2	35.2	38.9	35.7	31.1	26.6	28.8	25.3	21.4
Desktop	19.8	18.4	18.7	16.0	14.3	11.9	12.4	11.7	10.8
Notebook	16.4	16.8	20.2	19.7	16.8	14.6	16.4	13.6	10.6
<u>Non-Compute</u>									
Units (M)	11.3	9.9	11.8	12.1	9.9	10.5	10.7	12.5	10.1
Consumer Electronics	5.4	5.1	6.0	6.1	4.8	5.8	5.5	6.2	5.0
Branded	5.9	4.8	5.7	6.0	5.1	4.7	5.2	6.3	5.2
Total HDD Capacity (EB)	50.8	49.0	59.5	60.7	54.6	51.7	55.2	60.6	55.6
Total HDD Units (M)	55.2	52.3	59.3	56.8	50.0	45.2	47.1	45.9	39.2
Average Capacity per Drive (GB)	920	937	1,003	1,069	1,092	1,144	1,172	1,320	1,417
<u>Revenue by Channel</u>									
OEM	66%	70%	70%	69%	70%	73%	70%	69%	69%
Distributors	20%	19%	18%	18%	18%	15%	18%	16%	16%
Retail	14%	11%	12%	13%	12%	12%	12%	15%	15%

NOTE: Minor calculation variances maybe due to rounding.

Exabytes Shipped and Average Capacity per Drive



Cash Flow and Operational Trends

	Q3'14	Q4'14	Q1'15	Q2'15 ⁵	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16
Cash ¹ (\$M)	2,310	2,658	2,205	3,306	2,614	2,492	1,921	1,264	1,199
Debt (\$M)	3,514	3,920	3,809	3,932	3,931	4,155	4,140	4,140	4,130
Cash Flow From Operations (\$M)	443	577	602	1,443	374	228	824	382	205
Capital Expenditures ² (\$M)	124	131	172	215	159	201	209	137	95
Free Cash Flow ³ (\$M)	319	446	430	1,228	215	27	615	245	110
YTD Cash Flow From Operations ⁴ (\$M)	1,981	2,558	602	2,045	2,419	2,647	824	1,206	1,411
YTD Shares Repurchased ⁶ (\$M)	1,886	1,912	183	201	907	1,087	983	1,090	1,090
YTD Dividends ⁴ (\$M)	417	557	140	317	493	664	163	351	539
YTD Percent Return of OCF ⁴	116%	97%	54%	25%	58%	66%	139%	119%	115%
Days Sales Outstanding	44	48	49	45	48	54	47	43	44
Days Inventory Outstanding	31	38	38	38	42	42	45	43	41
Days Payables Outstanding	50	60	62	59	65	64	77	71	66
Cash Conversion Cycle	25	26	25	24	25	32	15	14	19
Worldwide Headcount	51,099	52,594	54,049	54,840	53,602	52,346	51,079	50,048	46,673

1. Beginning Q1'16, restricted cash is no longer included. Prior to Q1'16, the balance includes cash, cash equivalents, restricted cash and short term investments.

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

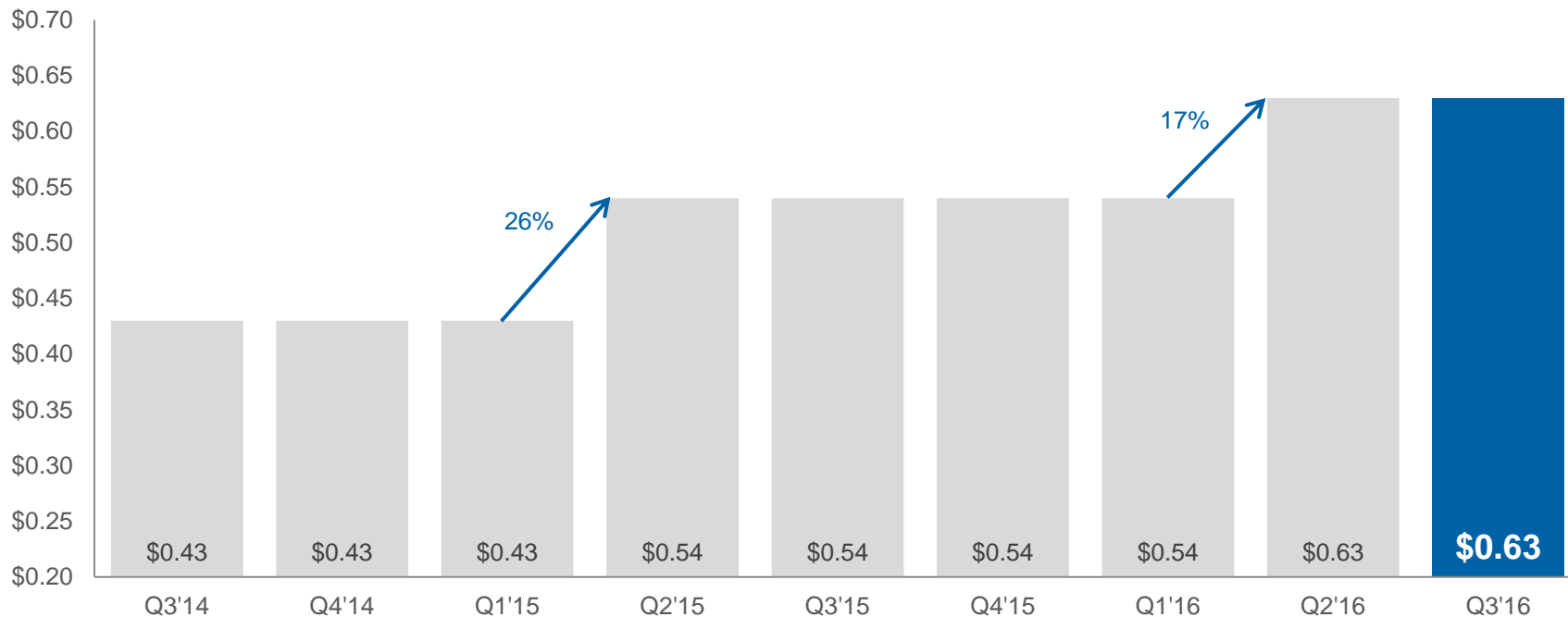
3. Free cash flow is a non-GAAP measure defined as cash flow from operations less capital expenditures.

4. Based on Fiscal Year.

5. In Q2'15, Cash flow amounts include the impact of 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.

6. Based on Fiscal Year. For YTD Shares Repurchased through Fiscal Q2'16, \$1,061 million was paid in cash and \$29 million was accrued for as of January 1, 2016.

Dividend per Share Paid History

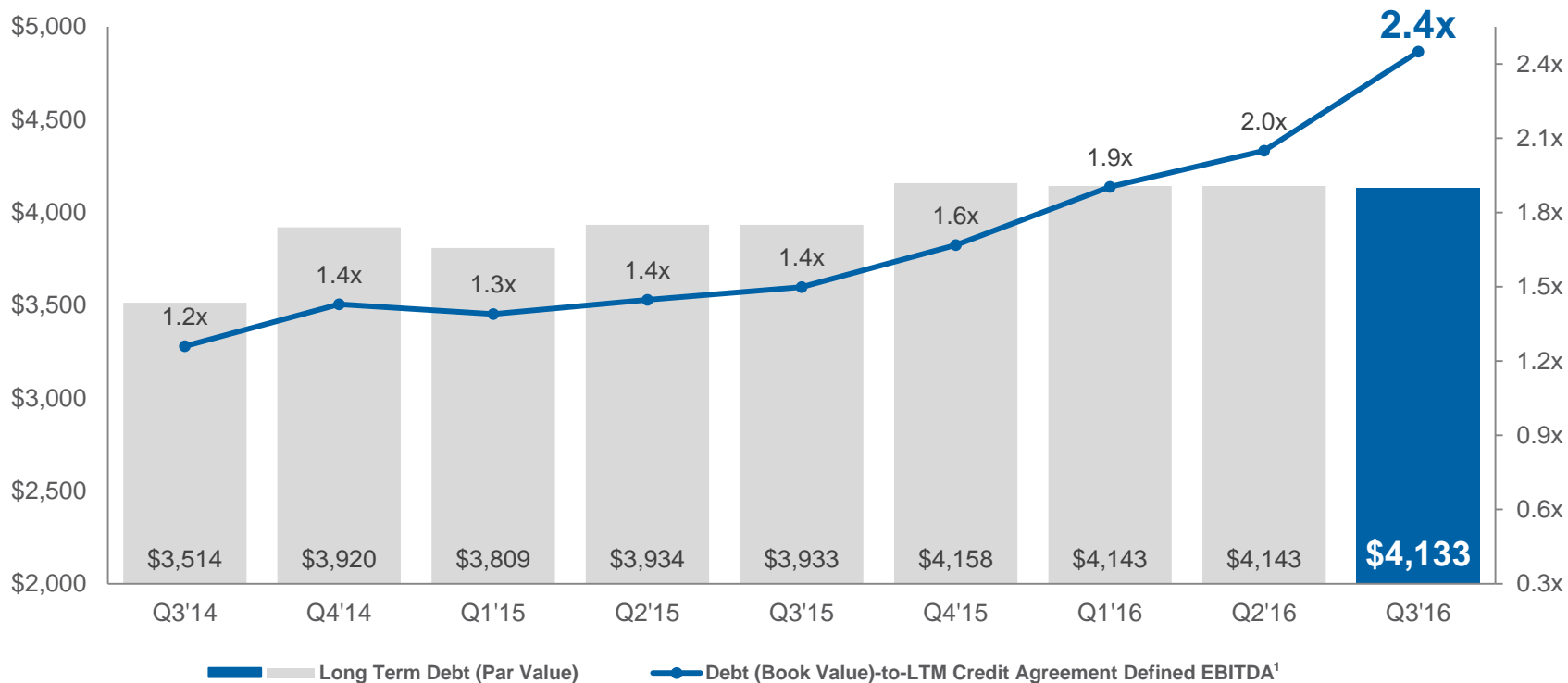


Long Term Debt Profile

Facility	Rate	Due	Par Value \$M	Book Value \$M
Senior Notes	3.75%	November 2018	\$800	\$800
Senior Notes	7.00%	November 2021	\$158	\$158
Senior Notes	4.75%	June 2023	\$990	\$990
Senior Notes	4.75%	January 2025	\$995	\$995
Senior Notes	4.875%	June 2027	\$700	\$698
Senior Notes	5.75%	December 2034	\$490	\$489
Total	4.78%¹		\$4,133	\$4,130

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

Long Term Debt Profile



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

Long Term Financial Results

	FY10	FY15	5-Year CAGR
Exabytes Shipped	80	228	23%
Nearline Exabytes Shipped	6	57	57%
HDD Units Shipped	193 M	212 M	2%
Average Capacity Per Drive	0.4 TB	1.1 TB	22%
Revenue	\$11.4 B	\$13.7 B	4%
Cloud/New Storage Applications % of Revenue	47%	59%	
Non-GAAP Gross Margin %	28%	28%	
Non-GAAP Earnings Per Share	\$3.35	\$4.57	6%
Diluted Shares O/S	514 M	331 M	
Operating Cash Flow	\$1.9 B	\$2.6 B	6%
Capital Expenditures	\$639 M	\$747 M	3%

GAAP to Non-GAAP Reconciliations

(\$ Millions)	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16
GAAP net income (loss)	\$395	\$320	\$381	\$933	\$291	\$138	\$34	\$165	(\$21)
<u>Non-GAAP adjustments</u>									
A. Revenue	-	-	-	-	-	-	2	(1)	(4)
B. Cost of revenue	11	14	12	14	8	19	17	23	67
C. Product development	0	0	4	6	4	2	6	3	2
C. Marketing and administrative	17	(25)	4	7	7	12	4	10	9
D. Amortization of intangibles	26	27	31	32	32	32	33	29	27
E. Restructuring and other, net	2	4	6	3	14	9	59	17	20
F. Gain on arbitration award, net	-	-	-	(620)	-	-	-	-	-
G. Other income (expense), net	2	76	15	(104)	1	17	10	-	(34)
H. Provision for (benefit from) income taxes	0	(46)	0	181	-	21	-	-	-
Non-GAAP net income	\$453	\$370	\$453	\$452	\$357	\$250	\$165	\$246	\$66
<u>Diluted net income (loss) per share:</u>									
GAAP	\$1.17	\$0.95	\$1.13	\$2.78	\$0.88	\$0.43	\$0.11	\$0.55	(\$0.07)
Non-GAAP	\$1.34	\$1.10	\$1.34	\$1.35	\$1.08	\$0.77	\$0.54	\$0.82	\$0.22
Shares used in diluted net income (loss) share calculation ¹	338	337	337	336	330	323	308	301	298

- A. Revenue has been adjusted on a non-GAAP basis to exclude sales return provision for certain products that will be discontinued and revenue associated with our disposed data services business.
- B. Cost of revenue has been adjusted on a non-GAAP basis to exclude amortization of intangibles associated with acquisitions, recognition of certain terminated contracts, other acquisition related expenses, and write off of certain fixed assets and discontinued inventory.
- C. Product development and Marketing and administrative expense has been adjusted on a non-GAAP basis to exclude the write off of certain fixed assets, the impact of integration costs associated with acquisitions, and marketing and administrative expenses of our disposed data services business.
- D. Amortization of intangibles primarily related to our acquisitions has been excluded on a non-GAAP basis.
- E. 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.
- F. In Q2'15, 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.
- G. Other income (expense), net, has been adjusted on a non-GAAP basis to exclude the payment of the unpaid interest of \$33 million on the final arbitration award amount in the Company's case against Western Digital, the net impact of gains recognized on the early repurchase of debt, and the impairment of certain strategic investments.
- H. In Q2'15, Provision for (benefit from) 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 Revenue and Cost of revenue. Non-GAAP gross margin % is defined as Non-GAAP gross margin divided by Non-GAAP 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 adjusted for non-GAAP items C through F noted in the table above. Non-GAAP operating income is defined as Income from operations adjusted for non-GAAP items A through F noted in the table above. Non-GAAP operating margin is non-GAAP operating income divided by Non-GAAP Revenue.

GAAP to Adjusted EBITDA Reconciliations

(\$ Millions)	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16
Income Before Income Taxes	\$390	\$284	\$392	\$1,126	\$304	\$149	\$31	\$180	\$9
EBITDA adjustments									
Depreciation	185	183	184	169	164	172	167	163	155
Amortization	26	28	34	39	39	40	41	46	43
Interest Income	(1)	(1)	(1)	(1)	(1)	(2)	(1)	(1)	(1)
Interest Expense	52	50	54	50	48	55	47	48	47
EBITDA	\$652	\$544	\$663	\$1,383	\$554	\$414	\$285	\$436	\$253
Non-GAAP adjustments									
A. Revenue	-	-	-	-	-	-	2	(1)	(4)
B. Cost of Revenue	11	14	9	7	1	12	10	8	52
C. Product Development	0	0	4	6	4	2	6	3	2
C. Marketing and administrative	17	(25)	4	7	7	12	4	10	9
D. Restructuring and other, net	2	4	6	3	14	9	59	17	20
E. Gain on arbitration award, net	-	-	-	(620)	-	-	-	-	-
F. Other income (expense), net	2	76	15	(104)	1	17	10	-	(34)
Adjusted EBITDA	\$684	\$613	\$701	\$682	\$581	\$466	\$376	\$473	\$298
Stock Compensation Expense (\$M)	30	31	42	31	33	31	33	32	30
Credit Agreement Defined EBITDA¹	\$714	\$644	\$743	\$713	\$614	\$497	\$409	\$505	\$328

- A. Revenue has been adjusted on a non-GAAP basis to exclude sales return provision for certain products that will be discontinued and revenue associated with our disposed data services business.
- B. Cost of revenue has been adjusted on a non-GAAP basis to exclude recognition of certain terminated contracts, other acquisition related expenses, and write off of certain fixed assets and discontinued inventory.
- C. Product development and Marketing and administrative expense has been adjusted on a non-GAAP basis to exclude the write off of certain fixed assets, the impact of integration costs associated with acquisitions, and marketing and administrative expenses of our disposed data services business.
- 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, has been excluded on a non-GAAP basis.
- E. In Q2'15, 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. Other income (expense), net, has been adjusted on a non-GAAP basis to exclude the payment of the unpaid interest of \$33 million on the final arbitration award amount in the Company's case against Western Digital, the net impact of gains recognized on the early repurchase of debt, and the impairment of certain strategic investments.



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April 29, 2016

