Fiscal Q4 2008

Supplemental Financial Information

Financial Highlights – 8 Quarter Trend

Seagate

Use of Non-GAAP Financial Measures

Our results of operations have undergone significant change in the past two years, most significantly in connection with our acquisition of Maxtor. To help the readers of our condensed consolidated financial statements prepared on a GAAP basis better understand our past financial performance and our expectations of our future results, we supplementally disclosed in our press release dated July 15, 2008, after making certain non-GAAP adjustments, non-GAAP net income and non-GAAP diluted net income per share. A reconciliation of the adjustments to GAAP net income and diluted net income per share for this quarter is included in the tables below and in the press release dated July 15, 2008. In addition, an explanation of the ways in which our board of directors and management use these non-GAAP financial measures to evaluate the business, the substance behind our management's decision to use these non-GAAP financial measures, the material limitations associated with the use of these non-GAAP financial measures, the manner in which Seagate management compensates for those limitations, and the substantive reasons why we believe that these non-GAAP financial measures provide useful information to investors, is included under the caption "Use of Non-GAAP Financial Measures" in the Form 8-K furnished July 15, 2008 to the U.S. Securities and Exchange Commission. This additional non-GAAP financial information is not meant to be considered in isolation or as a substitute for net income or diluted net income per share prepared in accordance with GAAP. You should not compare our non-GAAP net income or non-GAAP net income per share results with those of other companies, as the adjustments made to our GAAP results are unique to Seagate.

In addition, to help the readers of our condensed consolidated financial statements prepared on a GAAP basis better understand our past gross margin, operating expenses and cash flows, we supplementally disclosed on a conference call with investors on July 15, 2008, after making certain non-GAAP adjustments, non-GAAP gross margin, non-GAAP product development and marketing/administrative costs and non-GAAP free cash flow. A reconciliation of the adjustments to GAAP is included in the tables that follow. This additional non-GAAP financial information is not meant to be considered in isolation or as a substitute for gross margin, product development and marketing/administrative expenses or net cash provided by operating activities prepared in accordance with GAAP. You should not compare our non-GAAP gross margin, non-GAAP operating expenses or non-GAAP free cash flow with those of other companies, as the adjustments made to our GAAP results are unique to Seagate.

Acquisition Related Costs
Fiscal Q4'2008 (June Quarter)

$ Millions

Amortization of Purchased Intangibles	$20
Stock Based Compensation Expense	$3
Total	**$23**

Cost of Goods Sold	$8
Product Development	$2
Amortization of Intangibles	$13
Total	**$23**

Reconciliation of Non-GAAP Net Income & EPS Fiscal Q4 2008 (June Quarter)

	***Net Income** ($M)*	***Diluted EPS***
GAAP Reported	$160	$0.32
Non-GAAP Adjustments:		
Add: Acquisition Related Costs [1]	$23	
Non-GAAP Reported	$183	$0.37

Both GAAP and non-GAAP reported results include approximately $36 million ($0.07 diluted EPS) of restructuring (see page 7)

[1] See page 3

All adjustments net of associated tax effects

Reconciliation of Non-GAAP Gross Margin Fiscal Q4 2008 (June Quarter)

	Gross Margin *($M)*	Gross Margin %
GAAP Reported	$691	23.8%
Non-GAAP Adjustments:		
- Acquisition Related Costs [1]	$8	
Non-GAAP Reported	$699	24.1%

[1] See page 3

Reconciliation of Non-GAAP Product Development and Marketing/Administrative Fiscal Q4 2008 (June Quarter)

$ Millions	***Product Development***	***Marketing & Administrative***	***Total***
GAAP Reported	$270	$175	$445
Non-GAAP Adjustments:			
- Stock Based Compensation [1]	($2)	- -	($2)
Non-GAAP Reported	$268	$175	$443

[1] Reflects only that portion which is related to the acquisition of Maxtor, see page 3

Non-Operating Items
Fiscal Q4 2008 (June Quarter)
$ Millions

Restructuring and Other Charges	$36	Restructuring charges related primarily to substrate (Limavady, $15m) and finished media (Milpitas, $19m) operations

- These costs are included in both the GAAP and non-GAAP reported results and decreased diluted earnings per share by approximately $0.07
- These costs were not included in the guidance provided on April 15, 2008

Cash from Operations and Free Cash Flow Fiscal Q4 2008 (June Quarter)

$ Millions	***3 Months Ended FQ4'08***	***12 Months Ended FQ4'08***
Net Cash Provided by Operating Activities	$395	$2,538
Less: Acquisition of Property, Equipment and Leasehold Improvements	($293)	($930)
Free Cash Flow	$102	$1,608

Source: Condensed Consolidated Statements of Cash Flows (unaudited) for the period ended June 27, 2008

Financial Highlights – 8 Quarter Trend

	Q1 FY07	Q2 FY07	Q3 FY07	Q4 FY07	Q1 FY08	Q2 FY08	Q3 FY08	Q4 FY08
Total Revenue	$2,793	$2,996	$2,828	$2,744	$3,285	$3,420	$3,104	$2,899
$ Aggregate Customer Mix								
OEM	64%	63%	63%	65%	66%	67%	65%	68%
Distribution	32%	31%	30%	28%	28%	26%	28%	25%
Retail	4%	6%	7%	7%	6%	7%	7%	7%
$ Geographic								
North America	32%	29%	28%	31%	29%	29%	31%	30%
Europe	23%	30%	29%	25%	27%	28%	28%	27%
Asia Pacific	45%	41%	43%	44%	44%	43%	41%	43%
Inventory Breakdown								
Raw Materials	$201	$193	$258	$277	$311	$293	$346	$352
WIP	$100	$90	$87	$85	$109	$119	$114	$111
Finished Goods	$638	$488	$487	$432	$342	$418	$613	$482
	$939	$771	$832	$794	$763	$830	$1,073	$945
Drive Units by Market Category (000's)								
Enterprise Storage	4,090	4,140	4,150	4,290	4,550	5,250	5,290	5,200
Desktop Storage	24,360	25,730	23,910	23,830	29,030	29,850	26,710	25,380
Mobile	4,210	4,410	4,710	6,120	7,860	6,430	5,540	6,880
Consumer Electronics	6,480	7,090	6,720	5,010	5,740	8,080	5,100	5,650
	39,140	41,370	39,490	39,250	47,180	49,610	42,640	43,110
Cash Flow Related Items								
Capital Additions	$227	$239	$222	$218	$150	$212	$275	$293
Depreciation/Amortization	$199	$215	$236	$201	$205	$215	$211	$213
Inventory Turns	10.0	12.7	10.7	10.8	13.0	12.2	8.5	9.3
Days Sales Outstanding	43	38	44	46	42	42	40	44
World-Wide Employees	57,021	54,195	54,714	53,980	54,519	55,248	55,448	54,036

- Please note that some totals may not add due to rounding