Fiscal Q4 2009

Supplemental Financial Information

Financial Highlights – 8 Quarter Trend

Seagate

Summary of Certain Cash & Non-Cash Items
Fiscal Q4 2009 Financial Results

$ Millions

	FQ4'09	FY09	
Acquisition Related Costs	$21	$77	Amortization of Purchased Intangibles and Stock Based Compensation Expense (Maxtor) See pg 3
Restructuring Related Costs	$85	$266	Restructuring charges such as severance and other exit costs $84, accelerated depreciation (booked in research and development) $1 for Q409 See pg 4
Deferred Tax Asset Valuation	$0	$271	Adjustment to the valuation allowance of deferred tax assets
Impairment of Goodwill and other long-lived assets	$0	$2,290	Goodwill impairment $2.3B, $2.2B of which is related to the acquisition of MXO; Acquired intangibles and property, plant and equipment impairment of $3M
Total Expense/(Gain)	$106	$2,904	Approximately $.22 per share for Q4'09

Acquisition Related Costs
Fiscal Q4 2009 (June Quarter)

$ Millions

	FQ4’09	FY09
Amortization of Purchased Intangibles	$20	$69
Stock Based Compensation Expense	$1	$8
Total	**$21**	**$77**

$ Millions – P&L Classification

	FQ4’09	FY09
Cost of Revenue	$6	$14
Product Development	$1	$8
Amortization of Intangibles	$14	$55
Total	**$21**	**$77**

Restructuring Related Costs
Fiscal Q4 2009 (June Quarter)
$ Millions

	FQ4'09	FY09	
Restructuring	$84	$210	Workforce reduction
Cost of Revenue	$0	$30	Accelerated Depreciation related to finished media operations
Research and Development	$1	$26	Accelerated Depreciation related to Pittsburgh research facility
Total	**$85**	**$266**	

These costs were <u>not</u> included in the guidance provided on April 21st, 2009

Gross Margin, Percent of Revenue
Fiscal Q4 2009 (June Quarter)

	Gross Margin *($M)*	***Gross Margin %***
GAAP Reported	$407	17.3%
Non-Cash Items:		
- Amortization of Intangibles [1]	$6	
Total Non-Cash Items	$6	

This non-cash item is included in the reported results and decreased gross margin by approximately 30 basis points

[1] Amortization of Intangible related to Cost of Revenue, see page 3

Product Development & Marketing/Administrative Fiscal Q4 2009 (June Quarter)

$ Millions	***Product Development***	***Marketing & Administrative***	***Total***
GAAP Reported	$215	$114	$329
Certain Non-Cash Items:			
- Stock Based Compensation [1]	$1	- -	$1
- Accelerated Depreciation [2]	$1	- -	$1

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

[2] Reflects Accelerated Depreciation related to Research and Development, see page 4

Cash from Operations and Free Cash Flow
Fiscal Q4 2009 (June Quarter)

$ Millions	***FQ4'09***	***FY09***
Net Cash Provided by Operating Activities	$192	$823
Less: Acquisition of Property, Equipment and Leasehold Improvements	($80)	($633)
Free Cash Flow [1]	$112	$190

Source: Condensed Consolidated Statements of Cash Flows (unaudited) for the period ended July 3, 2009

Seagate disclosed on a conference call with investors on July 21, 2009, after making certain non-GAAP adjustments, non-GAAP free cash flow. A reconciliation of the adjustments to Net Cash provided by operating activities in accordance with GAAP is included in the table above. This additional non-GAAP financial information is not meant to be considered in isolation or as a substitute for net cash provided by operating activities. You should not compare our non-GAAP free cash flow with those of other companies, as the adjustments made to our GAAP results are unique to Seagate.

Preliminary Results
Financial Highlights – 8 Quarter Trend
$ Millions

$ Aggregate Customer Mix								
OEM	66%	67%	65%	68%	66%	67%	61%	65%
Distribution	28%	26%	28%	25%	27%	26%	29%	25%
Retail	6%	7%	7%	7%	7%	7%	10%	10%
$ Geographic								
North America	29%	29%	31%	30%	27%	27%	27%	30%
Europe	27%	28%	28%	27%	29%	27%	28%	22%
Asia Pacific	44%	43%	41%	43%	44%	46%	45%	48%
Inventory Breakdow n								
Raw Materials	$311	$293	$346	$352	$380	$274	$206	$201
WIP	$109	$119	$114	$111	$139	$93	$110	$120
Finished Goods	$343	$418	$613	$482	$390	$429	$261	$266
	$763	$830	$1,073	$945	$909	$796	$577	$587
Drive Units by Market Category (000's)								
Enterprise Storage	4,550	5,250	5,290	5,200	5,210	4,280	3,400	3,630
Desktop Storage	29,030	29,850	26,710	25,380	28,160	20,950	22,210	21,900
Mobile	7,860	6,430	5,540	6,880	9,810	7,580	8,920	11,330
Consumer Electronics	5,740	8,080	5,100	5,650	4,820	3,930	3,910	3,770
	47,180	49,610	42,640	43,110	48,000	36,740	38,440	40,630
Cash Flow Related Items								
Capital Additions	$150	$212	$275	$293	$280	$214	$59	$80
Depreciation/Amortization	$205	$215	$211	$213	$253	$228	$226	$224
Inventory Turns	13.0	12.2	8.5	9.3	11.0	9.8	13.8	13.3
Days Sales Outstanding	42	42	40	44	42	42	37	40
World-Wide Employees	54,519	55,248	55,448	54,036	53,784	51,925	44,774	47,343

Please note that some totals may not add due to rounding

Reconciliation of GAAP Pre-tax Income to EBITDA

$ Millions

	4 Quarters ending FQ4'09
GAAP Pre-Tax Income (loss)	**($2,775)**
Depreciation	$862
Amortization	$69
Interest income	($17)
Interest expense	$134
EBITDA	**($1,727)**
Calculation of Adjusted EBITDA:	
Restructuring	$210
MXO FAS123R Expense (Non-interest portion)	$8
FAS 123R Expense, excluding MXO portion *	$75
Impairment of goodwill and other long-lived assets	$2,290
Adjusted EBITDA (used for debt covenant calculations)	**$856**

The non-GAAP information presented above is not meant to be considered in isolation or as a substitute for income before income taxes prepared in accordance with GAAP. You should not compare our EBITDA or Adjusted EBITDA to similarly-titled non-GAAP financial measures used by other companies, as they may be defined differently by other companies. Adjusted EBITDA is used by management in assessing Seagate's compliance with the debt covenants ratios set forth in its debt instruments, as set forth in more detail on page 10.

*** Per the credit agreement, FAS123R expenses maybe excluded from the Adjusted EBITDA for purposes of the debt covenant ratios calculation**

Debt Covenant Ratios *

$ Millions

	FQ4'09
Fixed Charge Coverage Ratio	
Adjusted EBITDA – Prior 4 quarters rolling	$856
Cash and short-term investments (net of short-term borrowings)	$1,191
Interest Expense – Prior 4 quarters rolling	$134
Capital Spending – Prior 4 quarters rolling	$633
Fixed Charge Coverage Ratio (≥ 1.5)	**2.7**
(Adjusted EBITDA + Cash and short-term investments) / (Interest Expense + Capital Spending)	
Net Leverage Ratio	
Long-term Debt, less current portion	$1,956
Current Portion of long-term debt	$421
Cash and short-term investments (net of short-term borrowings)	$1,191
Proceeds of 2014 10% Notes in restricted cash	$380
Adjusted EBITDA – Prior 4 quarters rolling	$856
Net Leverage Ratio (≤ 1.8)	**0.9**
(Total Debt – Cash and short-term investments – proceeds of 2014 10% notes in restricted cash) / Adjusted EBITDA	
Cash and short-term investments (Including short-term borrowing) (>$600M)	**$1,541**

*** Debt covenants apply to the revolving credit facility. Debt covenant requirements are shown in more detail on slide 11.**

Credit Facility Debt Covenant Schedule

Amendments to Debt Covenants (per agreement on April 3, 2009) [1]:

	FQ4'09	FQ1'10	FQ2'10
Net Leverage Ratio	≤ 1.8	≤ 2.65	≤ 1.8
(Total Debt – Cash and short-term investments) / Adjusted EBITDA			
Cash and short-term investments	>$600M	>$600M	>$600M
(Including short-term borrowings)			

[1] After the quarter ended January 1, 2010, the maximum permitted net leverage and minimum liquidity requirements will return to their previous levels under the existing credit agreement:

Net Leverage Ratio ≤ 1.5

Cash and short-term borrowings (net of short term-borrowings) >$500M

Long-term Debt Maturity Profile

$ Millions
As of July 3, 2009

Facility	Rate	Due	Carrying Value $M
Floating Senior Notes	Libor + 84 bps	Oct-09	$300
Convertible Senior Notes	6.80%	Apr-10	$116
Senior Notes	6.375%	Oct-11	$599
Debentures	5.75%	Mar-12	$37
Convertible Senior Notes	2.375%	Aug-12	$316
Senior Secured Notes	10.0%	May-14	$410
Senior Notes	6.8%	Oct-16	$599

Cash Conversion Cycle

(Calculations assume 91 days per quarter)

	FQ4'09	FQ3'09	FQ4'08
Days Sales Outstanding	40	37	44
Days Payables Outstanding	73	63	68
Days Inventory Outstanding	27	26	39
Cash Conversion Cycle	(6)	0	15