Fiscal Q1 2014

Seagate

Supplemental Financial Information

October 28, 2013

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 our plans, strategies and prospects and estimates of industry growth for the fiscal quarter ending December 27, 2013 and beyond. These statements identify prospective information and include words such as “expects,” “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, as consumers and businesses may defer purchases in response to tighter credit and financial news; the impact of the variable demand and adverse pricing environment for disk drives, particularly in view of current business and economic conditions; dependence on 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; possible excess industry supply with respect to particular disk drive products; and the Company’s ability to achieve projected cost savings in connection with restructuring plans. Information concerning risks, uncertainties and other factors that could cause results to differ materially from the expectations described in this commentary is contained in the Company’s Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on August 7, 2013, the “Risk Factors” section of which is incorporated into this document by reference. 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 net income, diluted net income per share, gross margin, gross margin as a percentage of revenue, operating margin, operating expenses, and operating income 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. The Company also presents free cash flow, which is a non-GAAP measure calculated as the sum of net cash provided by operating activities, less acquisition of property, equipment and leasehold improvements. 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 for Fiscal Q1'14

- Achieved revenue of $3.5 billion.
- Storage shipments grew 14% year-over-year to 48.7 exabytes.
- Non-GAAP gross margin increased 55 basis points sequentially to 28.5%.
- Non-GAAP operating margin increased 63 basis points sequentially to 15.1%.
- Non-GAAP diluted EPS of $1.29.
- Returned $317 million to shareholders through dividends and share repurchases.
- Announced a dividend raise of 13% to $0.43 per share for the November 26, 2013 payment.

Q1 Product and Technology Development

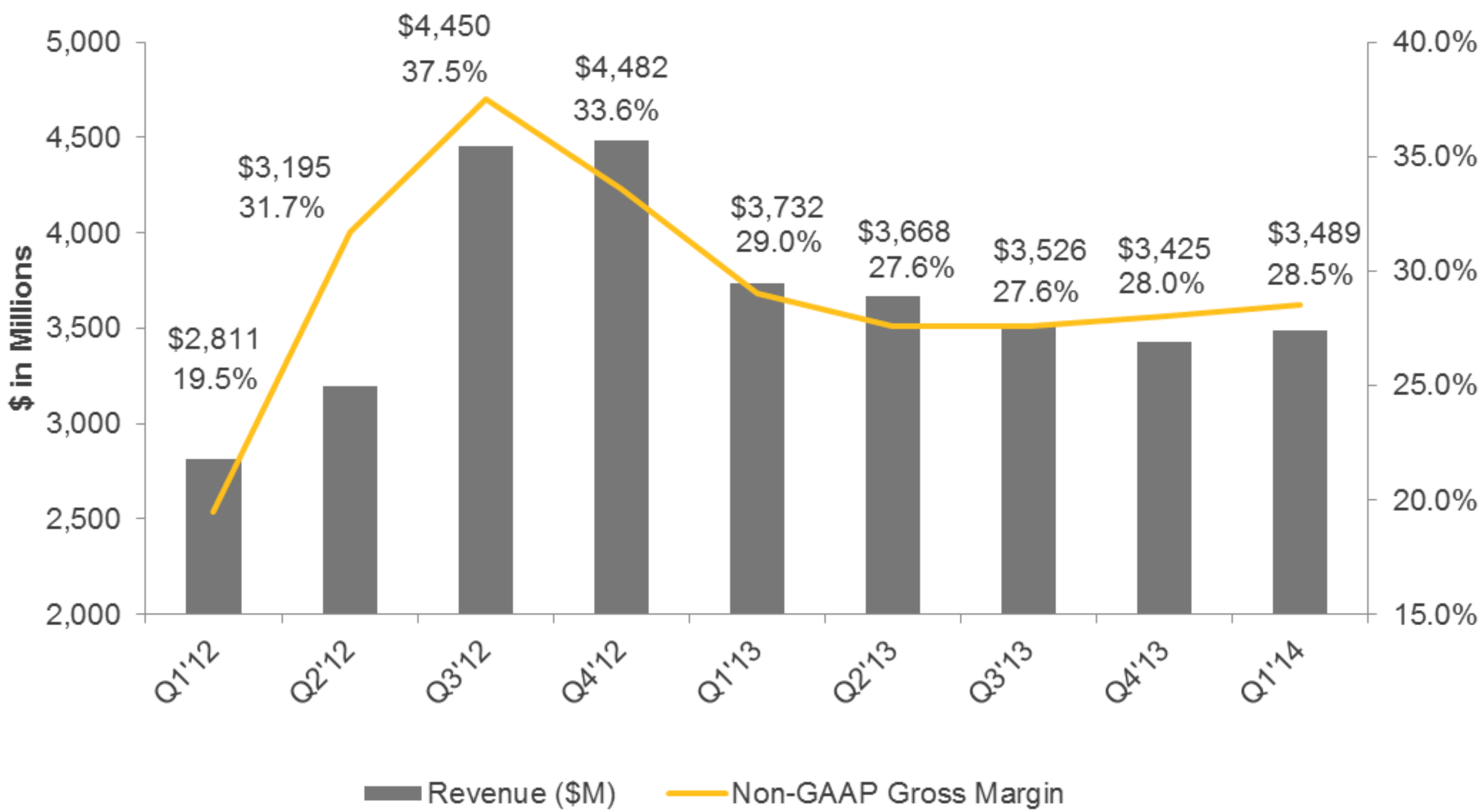
- Shipped over one million solid state hybrid drives.
- Began shipping shingled magnetic recording (SMR) based drives, allowing for a 25 percent improvement in areal density gains.
- Launched the Seagate Ultra Mobile HDD, which delivers 500GB of storage in tablets with the same power, speed and reliability of flash.
- Unveiled the industry’s first enterprise solid state hybrid drive, the Enterprise Turbo SSHD, which offers up to a 3X increase in random performance over existing 15K-RPM drives.
- Announced Seagate’s Rescue and Replace offering, the industry’s first data recovery and hardware replacement plan for nearly every brand of hard drive.
- Launched 8-bay and 4-bay 1U rackmount form factor NAS solutions.

Quarterly Financial Trends and Metrics

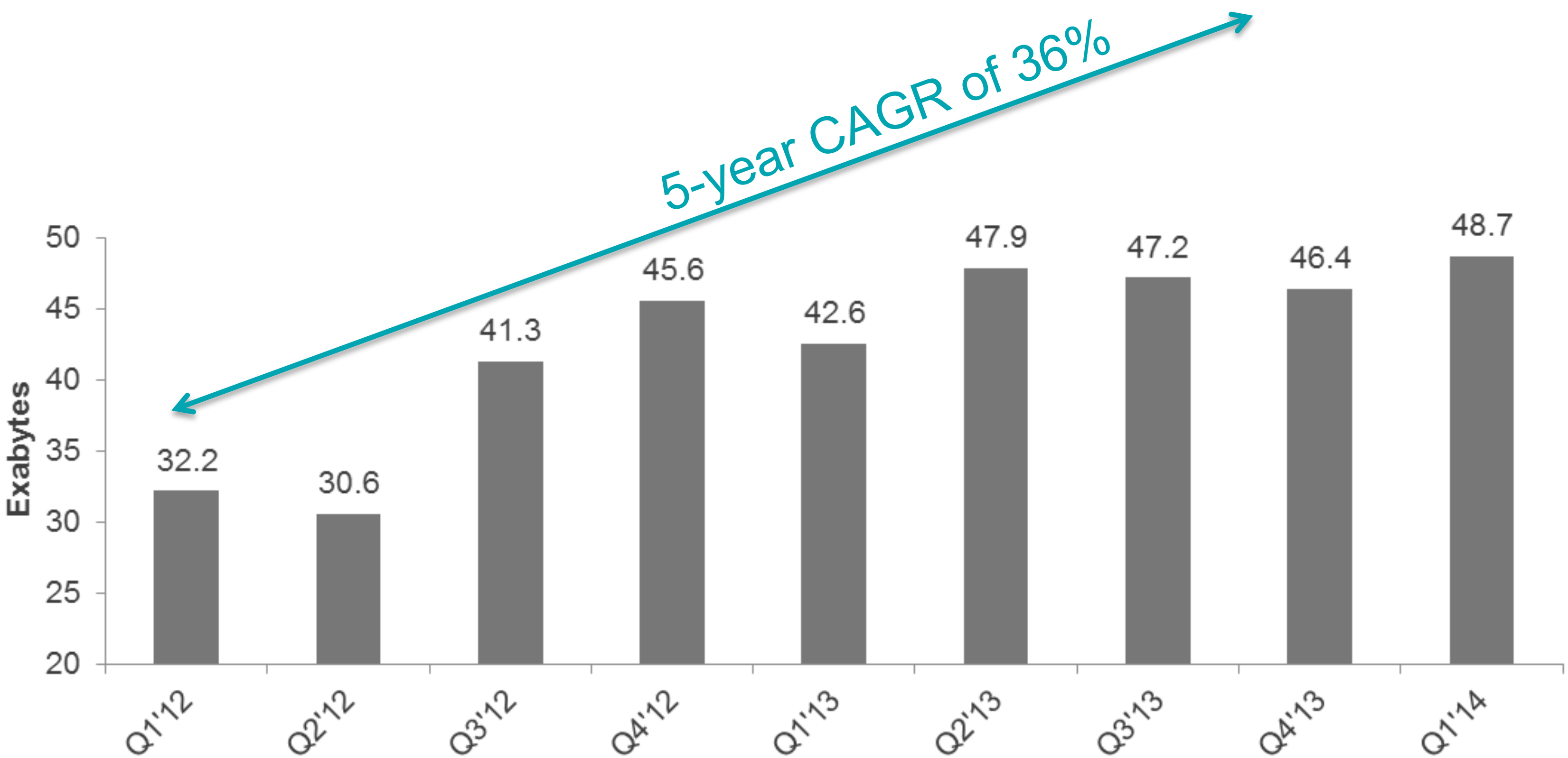
	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14
ASP	$55	$67	$73	$67	$63	$62	$63	$63	$62
Revenue ($M)	2,811	3,195	4,450	4,482	3,732	3,668	3,526	3,425	3,489
Gross Margin %	19.5%	31.6%	37.0%	33.1%	28.4%	27.0%	26.9%	27.4%	28.0%
Operating Expenses ($M)	313	405	431	427	437	437	483	491	497
Operating Income ($M)	236	605	1210	1057	624	555	465	448	478
Net Income ($M)	140	563	1146	1013	582	492	416	348	427
Basic EPS	$0.33	$1.32	$2.57	$2.46	$1.48	$1.33	$1.16	$0.97	$1.20
Diluted EPS	$0.32	$1.28	$2.48	$2.37	$1.42	$1.30	$1.13	$0.94	$1.16
Non-GAAP Results[1]									
Gross Margin %	19.5%	31.7%	37.5%	33.6%	29.0%	27.6%	27.6%	28.0%	28.5%
Operating Expenses ($M)	318	383	383	404	410	430	446	464	469
Operating Income ($M)	231	630	1,286	1,100	671	581	526	494	526
Net Income ($M)	146	581	1,222	1,028	594	523	464	447	473
Basic EPS	$0.35	$1.36	$2.74	$2.50	$1.51	$1.42	$1.30	$1.25	$1.32
Diluted EPS	$0.34	$1.32	$2.64	$2.41	$1.45	$1.38	$1.26	$1.20	$1.29
End of Qtr Actual Share Count	420	465	433	396	386	358	358	359	359
Basic Share O/S for EPS	421	427	446	411	394	369	358	359	357
Diluted Shares O/S for EPS	433	439	463	427	409	379	369	371	368
Dividend Per Share Paid	$0.18	$0.18	$0.25	$0.25	$0.32	$0.70	$0.00	$0.38	$0.38
Shares Repurchased	9	4	43	45	20	30	3	1	4
Fiscal YTD Shares Repurchased	9	13	56	101	20	50	53	54	4
TAM (HDD)	177	120	147	157	140	135	136	132	140
Share (HDD)	29%	39%	41%	42%	42%	43%	41%	40%	40%
Exabytes Shipped	32.2	30.6	41.3	45.6	42.6	47.9	47.2	46.4	48.7
Average Capacity per Drive (HDD)	634	653	679	692	733	826	849	863	875

1. See slide 14 in this packet for GAAP reconciliation.

Revenue and Gross Margin



Exabytes Shipped



Footnote:

– Storage shipments grew 14% year-over-year to 48.7 exabytes.

Channel and Product Mix Trends

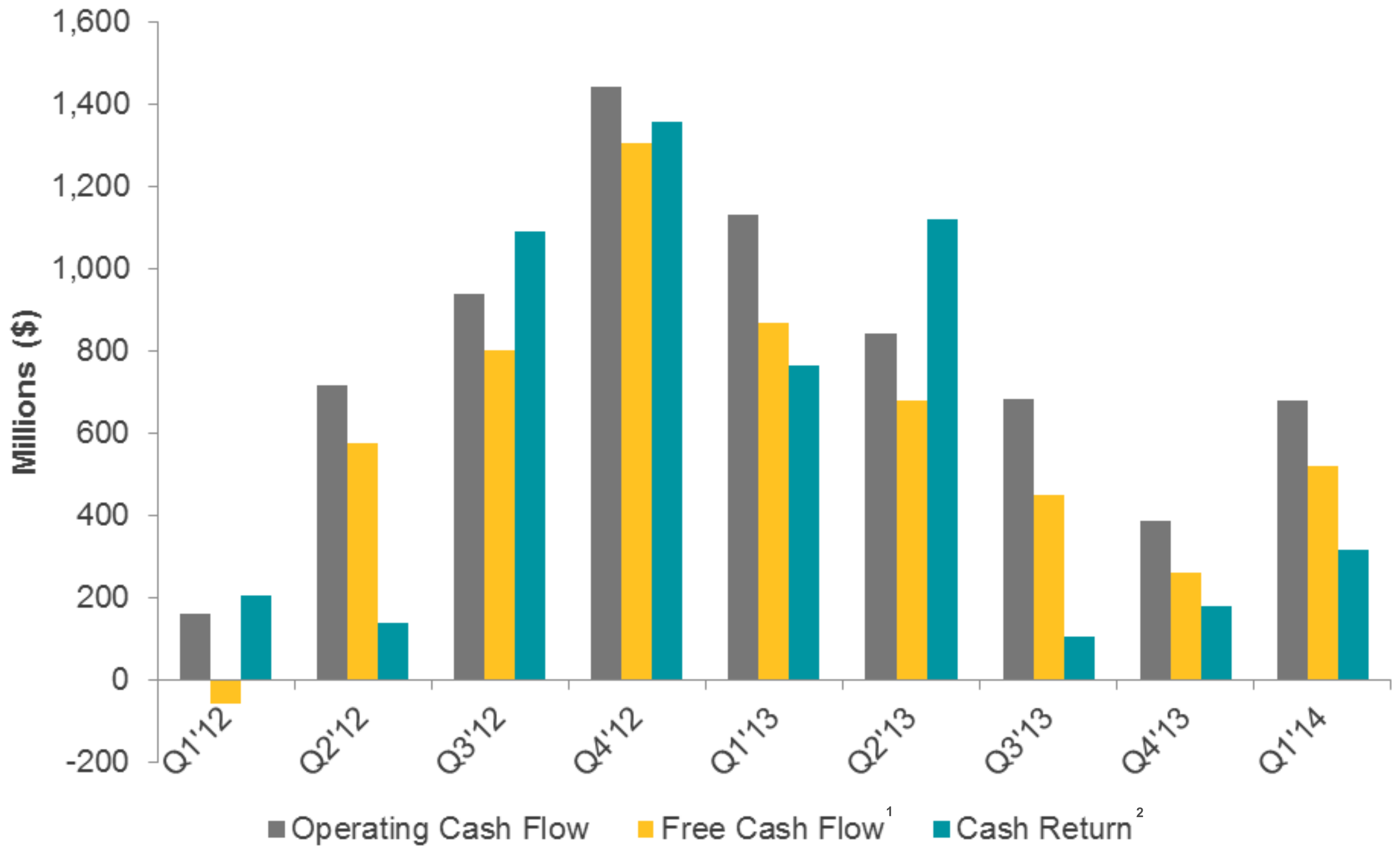
	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14
Revenue by Channel									
OEM	67%	72%	73%	74%	66%	67%	67%	71%	68%
Distributors	24%	20%	21%	19%	24%	21%	20%	18%	21%
Retail	10%	8%	5%	7%	10%	12%	13%	11%	11%
Enterprise Units (Millions)									
Enterprise	6.9	6.4	7.4	8.5	6.3	7.3	7.5	8.2	8.1
Compute Units (Millions)									
Desktop	20.7	17.1	23.8	23.9	20.4	21.9	19.6	18.6	19.1
Notebook	12.6	15.6	20.1	22.4	20.3	17.3	17.0	16.1	17.2
Non Compute Units (Millions)									
Consumer Electronics	6.3	4.8	6.9	7.4	5.8	5.6	5.8	6.1	6.2
Branded	4.2	3.0	2.7	3.8	5.2	6.0	5.7	4.8	5.1
Total Units	**50.7**	**46.9**	**60.7**	**65.9**	**58.0**	**58.2**	**55.7**	**53.9**	**55.7**

Cash Flow and Operational Trends

	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14
Cash[1] ($M)	2,988	2,325	2,144	2,211	2,470	1,970	2,010	2,289	2,521
Debt ($M)	3,484	2,925	2,862	2,863	2,870	2,818	2,478	2,777	2,773
Cash Flow From Operations ($M)	160	719	938	1,445	1,132	844	683	388	682
Capital Expenditures ($M)[2]	218	143	136	139	263	164	231	128	161
Free Cash Flow ($M)[3]	(58)	576	802	1,306	869	680	452	260	521
Cash Flow From Operations ($M)	160	719	938	1,445	1,132	844	683	388	682
Redemption of Ordinary Shares ($M)	128	63	981	1,254	639	871	102	42	182
Dividends ($M)	78	76	112	106	127	250	4	137	135
YTD Percent Return of OCF[4]	129%	39%	79%	86%	68%	95%	75%	71%	46%
Days Sales Outstanding	47	46	51	47	41	41	40	44	42
Days Inventory Outstanding	33	34	27	28	29	27	29	31	32
Days Payables Outstanding	67	61	70	69	62	57	60	62	61
Cash Conversion Cycle	13	20	8	5	8	11	10	14	13
Inventory Turns	11	11	13	13	13	13	12	12	12
Worldwide Headcount	52,864	53,010	57,145	57,879	55,676	54,462	52,687	53,190	52,395

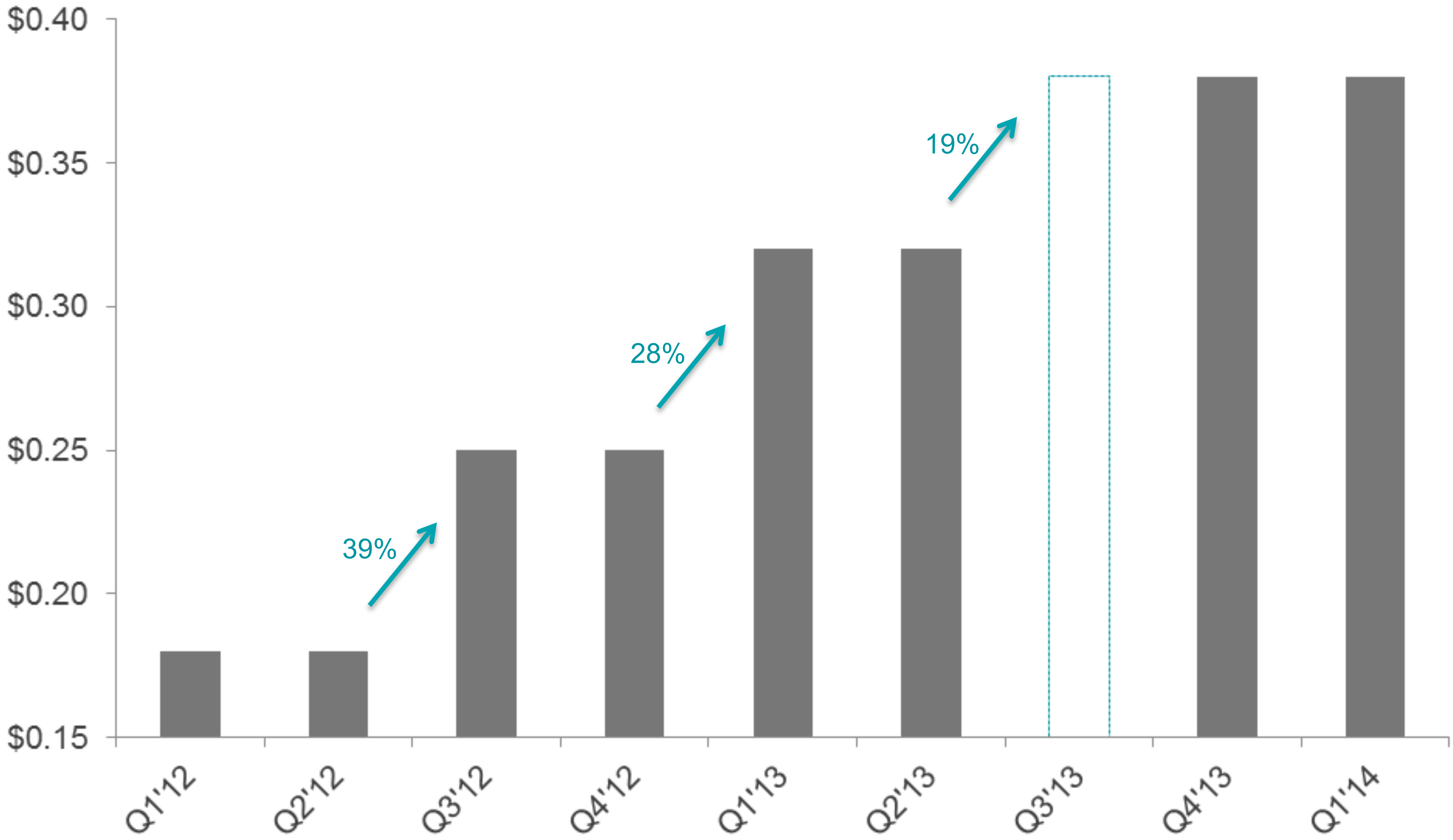
1. Includes cash, cash equivalents, restricted cash and short term investments.
2. Cash paid for the acquisition of property, equipment, and leasehold improvements
3. Free cash flow is a non-GAAP measure defined as cash flow from operations less capital expenditures
4. Based on Fiscal Year.

Cash Flow and Return to Shareholders



1. See slide 10 for Non-GAAP reconciliation of cash flow from operations to free cash flow.
2. Cash return includes share repurchases and dividends.

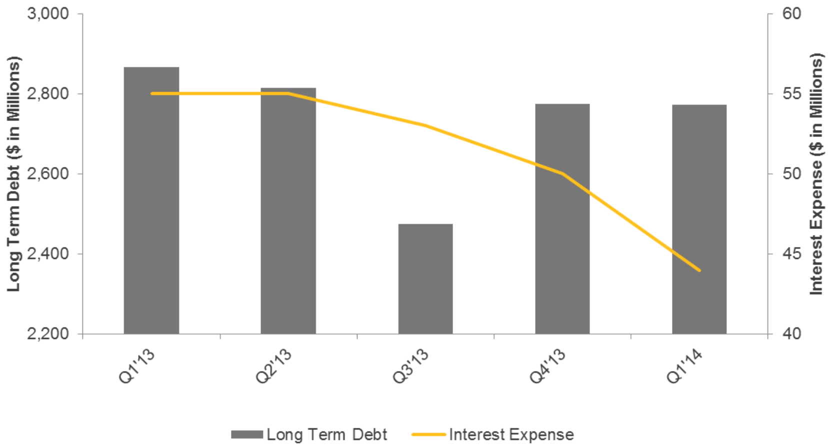
Dividend per Share Paid History



Footnote:

– Q3'13 dividend payment pulled forward to December 2012.

Long Term Debt Profile



Facility	Rate	Due	Carrying Value $M
Senior Notes	6.8%	Oct-16	$334
Senior Notes	7.75%	Dec-18	$238
Senior Notes	6.875%	May-20	$600
Senior Notes	7.0%	Nov-21	$600
Senior Notes	4.75%	Jun-23	$1,000

GAAP to Non-GAAP Reconciliations

($ Millions)	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14
GAAP net income	$140	$563	$1,146	$1,013	$582	$492	$416	$348	$427
Non-GAAP adjustments:									
A. Cost of revenue		3	27	20	20	19	24	19	20
B. Product development	(1)	6	21	4	4	3	11	2	3
B. Marketing and administrative	(5)	12	9	1	4	(17)	5	4	3
C. Amortization of intangibles		2	18	18	19	20	20	20	20
D. Restructuring and other, net		2	1	0	0	1	1	1	2
E. Other expense, net	12			0	(35)	5	(13)	106	(2)
F. Provision for (benefit from) income taxes		(7)		(28)	0	0	0	(53)	0
Non-GAAP net income	$146	$581	$1,222	$1,028	$594	$523	$464	$447	$473
Diluted net income per share:									
GAAP	$0.32	$1.28	$2.48	$2.37	$1.42	$1.30	$1.13	$0.94	$1.16
Non-GAAP	$0.34	$1.32	$2.64	$2.41	$1.45	$1.38	$1.26	$1.20	$1.29
Shares used in diluted net income share calculation	433	439	463	427	409	379	369	371	368

A. These non-GAAP adjustments include amortization of intangibles and other acquisition related expenses associated with the December 2011 acquisition of Samsung Electronics Co., Ltd's hard disk drive business (the "Samsung HDD business") and the August 2012 acquisition of LaCie S.A..

B. Product development and Marketing and administrative expense have been adjusted on a non-GAAP basis to exclude the impact of acquisition and integration costs associated with the Samsung HDD business and LaCie.

C. Amortization of intangibles related to our Samsung HDD business and LaCie acquisitions.

D. Restructuring and other, net, primarily related to restructuring plans have been excluded on a non-GAAP basis.

E. Other expense has been adjusted on a non-GAAP basis primarily to exclude the net impact of losses recognized on the early redemption and repurchase of debt, partially offset by gains recognized upon sales of investments. For the fiscal year ended June 28, 2013, Other expense has also been adjusted on a non-GAAP basis primarily to exclude a gain recognized from an insurance reimbursement related to the severe flooding in Thailand

F. 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 Cost of revenue. Non-GAAP gross margin % is defined as Non-GAAP gross margin divided by 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 and Restructuring and other, net less non-GAAP adjustments B through D noted in the table above. Non-GAAP operating income is defined as Income from operations less non-GAAP adjustments A through D noted in the table above. Non-GAAP operating margin is non-GAAP operating income divided by Revenue.