Fiscal Q1 2015
Supplemental Financial Information

October 27, 2014

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 January 2, 2015 and beyond. 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, 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; 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 document is contained in the Company’s Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on August 7, 2014, the “Risk Factors” section of which is incorporated into this document 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 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 Q1'15

- **Storage shipments grew 22% year-over-year to 59.9 exabytes.**
- **Achieved revenue of $3.8 billion.**
- **Non-GAAP gross margin of 28.1%.**
- **Non-GAAP diluted EPS of $1.34.**
- **Generated $602 million in operating cash flow and $430 million in free cash flow.**
- **Returned a total of $323 million to shareholders through dividends and share redemptions.**
- **Paid quarterly cash dividend of $0.43 per share. Announced a 26% increase in the Company's regular cash dividend from $0.43 to $0.54 quarterly.**
- **Completed acquisition of LSI's flash businesses.**

Q1’15 Product and Technology Development Highlights

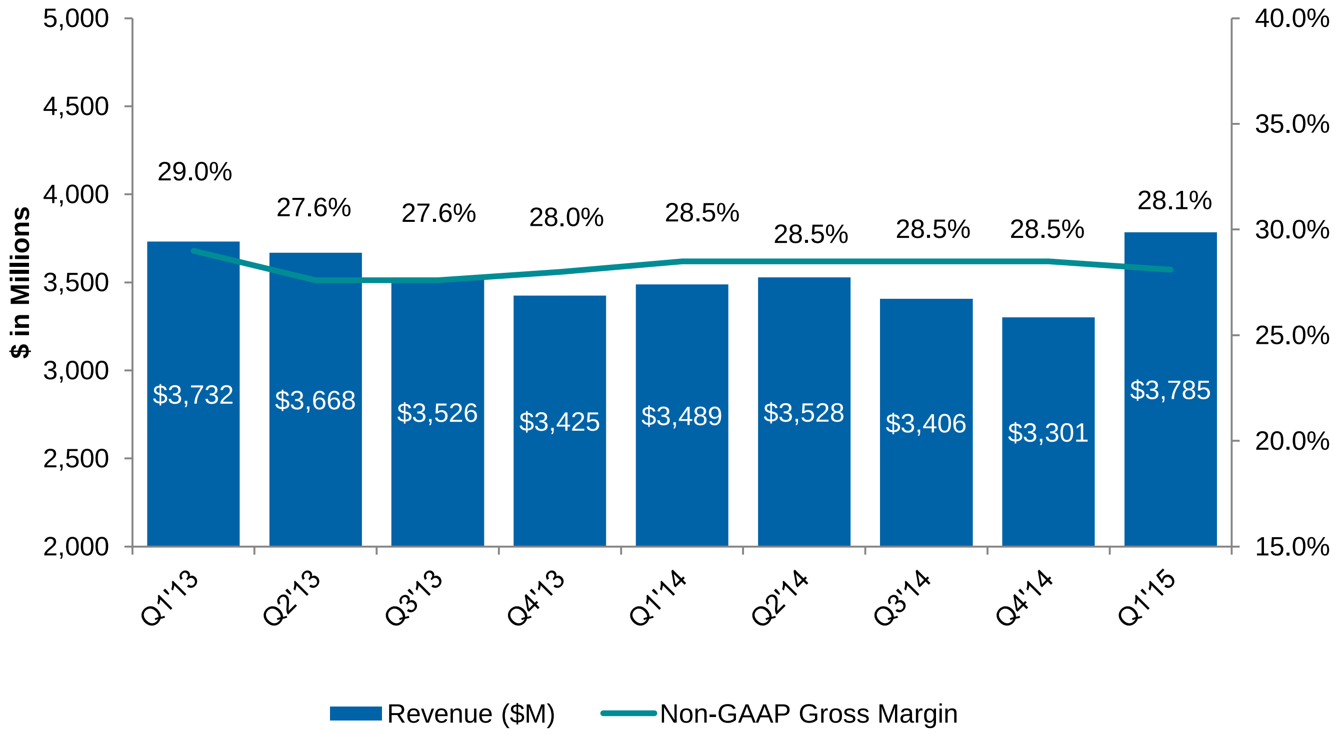
- Shipped the world’s first 8TB HDD, boasting ultra-high capacity, energy-efficiency and the lowest TCO in the industry.
- Unveiled new cloud and enterprise solutions including Seagate® ClusterStor™ 9000, the ultimate high-performance system designed for big data customers, Seagate® EVault® Enterprise Backup & Recovery Appliance, new Seagate® Nytro® XP6000 PCIe flash accelerator cards, and 8th generation enterprise hard drives for datacenters and cloud service providers.
- Delivered the industry’s first dedicated surveillance HDD featuring Seagate Rescue™ services. Engineered specifically for surveillance and video analytics applications, the Surveillance HDD is a world-class drive that employs data recovery services designed to restore data from malice or accidental failure, keeping systems in the field longer and reducing post deployment expenses.
- Signed a strategic cooperation agreement with Baidu. Under the agreement, Baidu will give priority to Seagate products when considering components for all Baidu servers and storage facilities. In return Seagate will align with Baidu as a Strategic Customer and give priority to Baidu when providing enterprise storage products and relevant support, as well as maintain a dedicated engineering team for Baidu.
- Shipped 10 millionth solid-state hybrid drive and continued to experience rising demand.
- Announced a new portfolio of Network Attached Storage (NAS) solutions, including five NAS products in a range of capacities from 2TB to 30TB with performance perfectly suited for the home office and small business.

Quarterly Financial Trends and Metrics

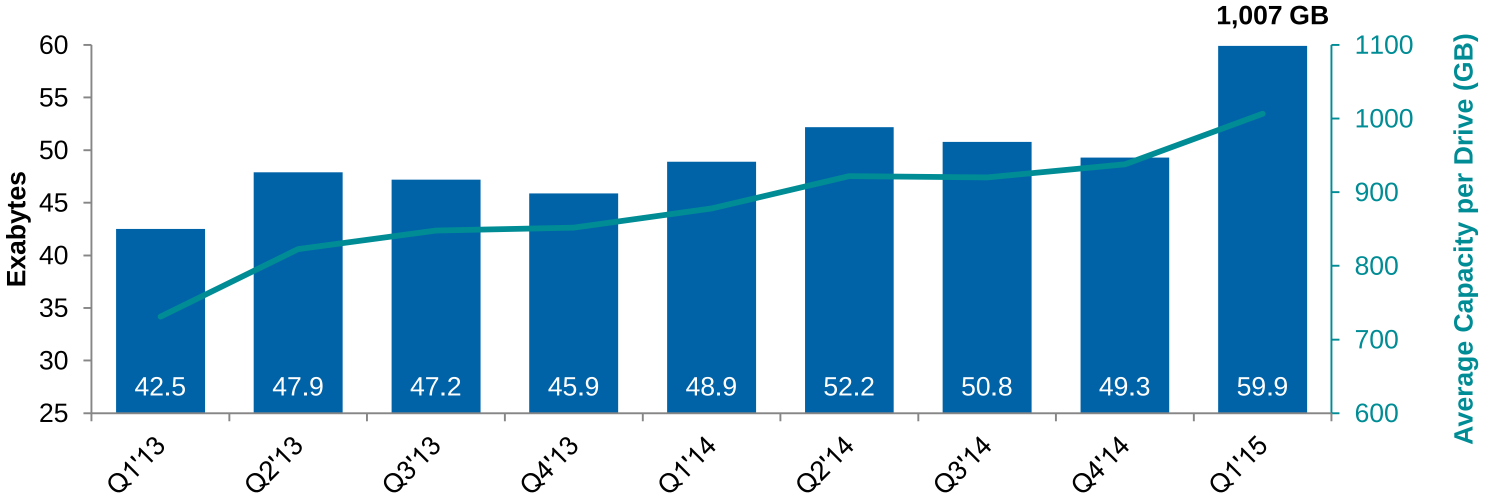
	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15
ASP (HDD Only)	$63	$62	$63	$63	$62	$62	$61	$60	$60
Revenue ($M)	3,732	3,668	3,526	3,425	3,489	3,528	3,406	3,301	3,785
Gross Margin %	28.4%	27.0%	26.9%	27.4%	28.0%	28.0%	28.2%	28.0%	27.8%
Operating Expenses ($M)	437	437	483	491	497	543	515	515	595
Operating Income ($M)	624	555	465	448	478	444	444	410	456
Net Income ($M)	582	492	416	348	427	428	395	320	381
Basic EPS	$1.48	$1.33	$1.16	$0.97	$1.20	$1.27	$1.21	$0.98	$1.17
Diluted EPS	$1.42	$1.30	$1.13	$0.94	$1.16	$1.24	$1.17	$0.95	$1.13
Non-GAAP Results[1]									
Gross Margin %	29.0%	27.6%	27.6%	28.0%	28.5%	28.5%	28.5%	28.5%	28.1%
Operating Expenses ($M)	410	430	446	464	469	496	470	509	550
Operating Income ($M)	671	581	526	494	526	508	500	430	513
Net Income ($M)	594	523	464	447	473	455	453	370	453
Basic EPS	$1.51	$1.42	$1.30	$1.25	$1.32	$1.35	$1.39	$1.13	$1.39
Diluted EPS	$1.45	$1.38	$1.26	$1.20	$1.29	$1.32	$1.34	$1.10	$1.34
End of Qtr Actual Share Count (M)	386	358	358	359	359	328	326	327	327
Basic Share O/S for EPS (M)	394	369	358	359	357	336	327	326	327
Diluted Shares O/S for EPS (M)	409	379	369	371	368	346	338	337	337
Dividend Per Share Paid[2]	$0.32	$0.32	$0.38	$0.38	$0.38	$0.43	$0.43	$0.43	$0.43
Shares Repurchased (M)	20	30	3	1	4	33	4	0.5	3
Fiscal YTD Shares Repurchased (M)	20	50	53	54	4	37	41	41	3
HDD TAM[3] (M)	139	136	136	133	140	142	138	138	148
Share[3]	42%	43%	41%	40%	40%	40%	40%	38%	40%
Exabytes Shipped (HDD Only)	42.5	47.9	47.2	45.9	48.9	52.2	50.8	49.3	59.9
Average Capacity per Drive	731	823	848	852	878	922	920	938	1,007

1. See slide 14 in this packet for GAAP reconciliation.
2. Q3'13 dividend payment pulled forward to December 2012.
3. Preliminary based on industry estimates.

Revenue and Non-GAAP Gross Margin



Exabytes Shipped and Average Capacity per Drive



Channel and Product Mix Trends

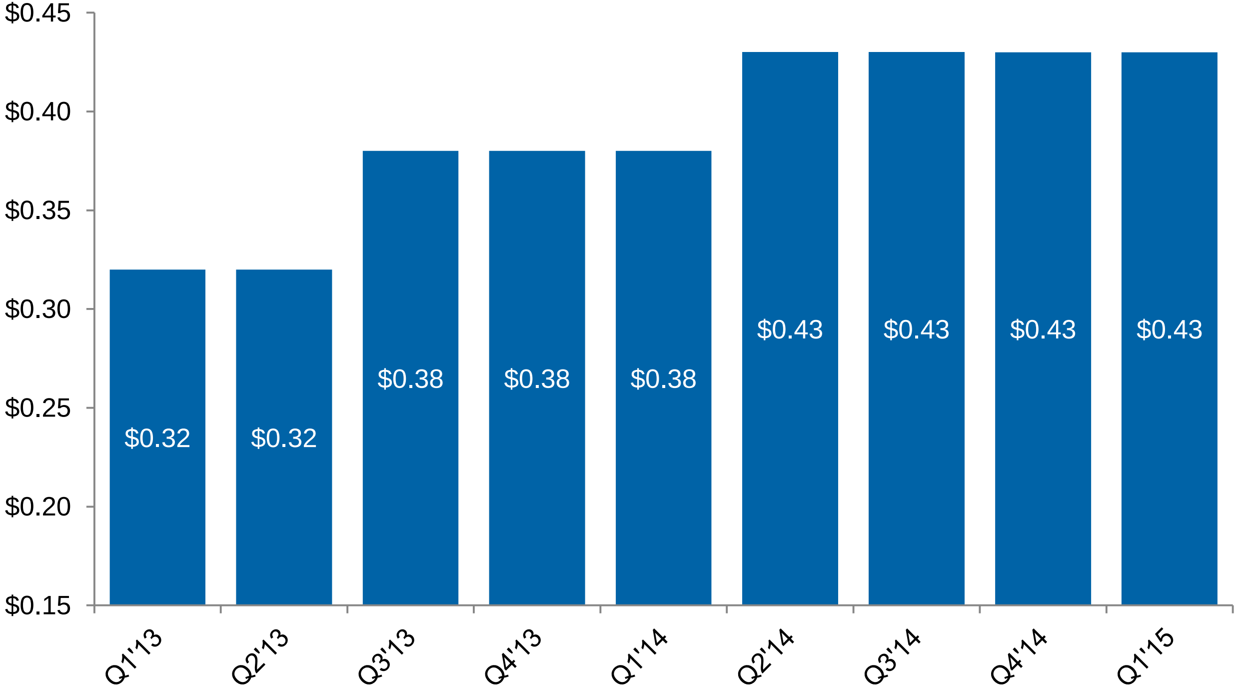
	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15
Revenue by Channel									
OEM	66%	67%	67%	71%	68%	66%	66%	70%	70%
Distributors	24%	21%	20%	18%	21%	21%	20%	19%	18%
Retail	10%	12%	13%	11%	11%	13%	14%	11%	12%
Enterprise Units (Millions)									
Enterprise	6.3	7.3	7.5	8.2	8.1	7.8	7.7	7.4	8.8
Compute Units (Millions)									
Desktop	20.4	21.9	19.6	18.6	19.1	19.2	19.8	18.4	18.7
Notebook	20.3	17.3	17.0	16.1	17.2	16.9	16.4	16.8	20.2
Non Compute Units (Millions)									
Consumer Electronics	5.8	5.6	5.8	6.1	6.2	6.7	5.4	5.1	6.0
Branded	5.2	6.0	5.7	4.8	5.1	6.2	5.9	4.8	5.7
Total HDD Units	**58.0**	**58.2**	**55.7**	**53.9**	**55.7**	**56.6**	**55.2**	**52.5**	**59.5**

Cash Flow and Operational Trends

	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15
Cash[1] ($M)	2,470	1,970	2,010	2,289	2,521	2,343	2,310	2,658	2,205
Debt ($M)	2,870	2,818	2,478	2,777	2,773	3,572	3,514	3,920	3,809
Cash Flow From Operations ($M)	1,132	844	683	388	682	856	443	577	602
Capital Expenditures ($M)[2]	263	164	231	128	161	143	124	131	172
Free Cash Flow ($M)[3]	869	680	452	260	521	713	319	446	430
Cash Flow From Operations ($M)	1,132	844	683	388	682	856	443	577	602
Shares Repurchased ($M)	639	871	102	42	182	1,520	184	26	183
Dividends ($M)	127	250	4	137	135	142	140	140	140
YTD Percent Return of OCF[4]	68%	95%	75%	71%	46%	129%	116%	97%	54%
Days Sales Outstanding	41	41	40	44	42	42	44	48	49
Days Inventory Outstanding	29	27	29	31	32	34	31	38	38
Days Payables Outstanding	62	57	60	62	61	56	50	60	62
Cash Conversion Cycle	8	11	10	14	13	19	25	26	25
Inventory Turns	13	13	12	12	12	11	12	10	10
Worldwide Headcount	56,113	54,973	53,268	53,806	53,002	52,650	51,099	52,594	54,049

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.

Dividend per Share Paid History



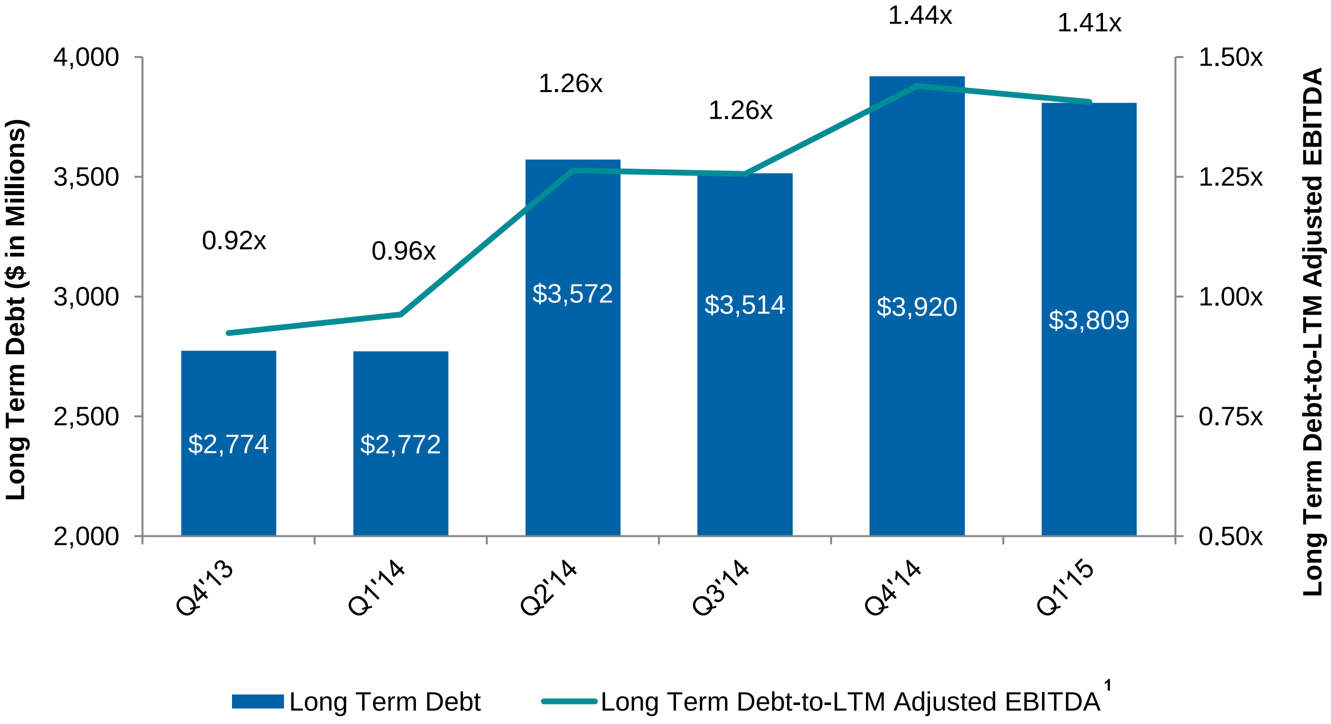
Footnote:
Q3'13 dividend payment pulled forward to December 2012.

Long Term Debt Profile

Facility	Rate	Due	Carrying Value $M
Senior Notes	6.80%	16-Oct	$331
Senior Notes	3.75%	18-Nov	$800
Senior Notes	6.88%	20-May	$506
Senior Notes	7.00%	21-Nov	$172
Senior Notes	4.75%	23-Jun	$1,000
Senior Notes	4.75%	25-Jan	$1,000
Total	**5.10%** [1]		**$3,809**

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

Long Term Debt Profile



1. See slide 15 for reconciliation of net income to adjusted EBITDA.

GAAP to Non-GAAP Reconciliations

($ Millions)	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15
GAAP net income	$582	$492	$416	$348	$427	$428	$395	$320	$381
Non-GAAP adjustments:									
A. Cost of revenue	20	19	24	19	20	17	11	14	12
B. Product development	4	3	11	2	3	3	0	0	4
B. Marketing and administrative	4	(17)	5	4	3	3	17	(25)	4
C. Amortization of intangibles	19	20	20	20	20	25	26	27	31
D. Restructuring and other, net	0	1	1	1	2	16	2	4	6
E. Other expense, net	(35)	5	(13)	106	(2)	(31)	2	76	15
F. Benefit from income taxes	0	0	0	(53)	0	(6)	0	(46)	0
Non-GAAP net income	$594	$523	$464	$447	$473	$455	$453	$370	$453
Diluted net income per share:									
GAAP	$1.42	$1.30	$1.13	$0.94	$1.16	$1.24	$1.17	$0.95	$1.13
Non-GAAP	$1.45	$1.38	$1.26	$1.20	$1.29	$1.32	$1.34	$1.10	$1.34
Shares used in diluted net income share calculation	409	379	369	371	368	346	338	337	337

A. The non-GAAP adjustments include amortization of intangibles and other acquisition related expenses associated with the acquisitions.
B. Product development and Marketing and administrative expense has been adjusted on a non-GAAP basis primarily to exclude the impact of acquisition and integration costs associated with the acquisitions.
C. Amortization of intangibles primarily related to our acquisitions have been excluded on a non-GAAP basis.
D. Restructuring and other, net, primarily related to our existing restructuring plans have been excluded on a non-GAAP basis.
E. Other expense, net, has been adjusted on a non-GAAP basis primarily to exclude the net impact of (gains) / losses recognized on the early redemption and repurchase of debt.
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 excluding non-GAAP adjustments B through D noted in the table above. Non-GAAP operating income is defined as Income from operations excluding non-GAAP adjustments A through D noted in the table above. Non-GAAP operating margin is non-GAAP operating income divided by Revenue.

GAAP to Adjusted EBITDA Reconciliations

($ Millions)	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15
Income Before Income Taxes	$600	$499	$430	$302	$440	$442	$390	$284	$392
EBITDA adjustments:									
Depreciation	176	181	184	185	191	189	185	183	184
Amortization	36	37	37	37	37	40	26	28	34
Interest Income	(2)	(2)	(2)	(2)	(5)	(1)	(1)	(1)	(1)
Interest Expense	55	55	53	50	44	49	52	50	54
EBITDA	$865	$770	$702	$572	$707	$719	$652	$544	$663
Non-GAAP Adjustments									
A. Costs of Revenue	$0	$2	$7	$2	$2	$2	$11	$14	$9
B. Product Development	$4	$3	$11	$2	$3	$3	$0	$0	$4
B. Marketing and administrative	$4	($17)	$5	$4	$3	$3	$17	($25)	$4
C. Restructuring and other, net	$0	$1	$1	$1	$2	$16	$2	$4	$6
D. Other expense, net	($35)	$5	($13)	$106	($2)	($31)	$2	$76	$15
Adjusted EBITDA	$838	$764	$713	$687	$715	$712	$684	$613	$701

A. The non-GAAP adjustments include amortization of intangibles and other acquisition related expenses associated with the acquisitions.

B. Product development and Marketing and administrative expense has been adjusted on a non-GAAP basis primarily to exclude the impact of acquisition and integration costs associated with the acquisitions.

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

D. Other expense, net, has been adjusted on a non-GAAP basis primarily to exclude the net impact of (gains) / losses recognized on the early redemption and repurchase of debt.