



Press Release

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SEAGATE TECHNOLOGY REPORTS FISCAL FOURTH QUARTER AND YEAR-END 2010 FINANCIAL RESULTS

Record fiscal year profit of \$1.61 billion and earnings per share of \$3.14
Record fiscal year shipments of 193 million disk drives
Record fourth quarter operating results

NEW DELHI — July 21, 2010 — Seagate Technology plc (NASDAQ: STX) today reported financial results for the quarter ended July 2, 2010 of 46.8 million disk drive unit shipments, revenue of \$2.66 billion, gross margin of 27.4%, net income of \$379 million and diluted earnings per share of \$0.76. The financial results for the quarter include \$6 million of purchased intangibles amortization expense, \$16 million of restructuring charges, \$3 million expense (Other income/expense) for the May 2010 termination of Seagate's revolving credit facility offset by a \$6 million recovery of previously impaired long-lived assets and a \$50 million income tax benefit due principally to valuation allowance adjustments related to deferred tax assets. The aggregate impact of these items was a \$31 million increase to net income or approximately \$0.06 per diluted share.

For the fiscal year ended July 2, 2010 the company reported 193.2 million disk drive unit shipments, revenue of \$11.4 billion, gross margin of 28.1%, net income of \$1.61 billion and diluted earnings per share of \$3.14. The financial results for the fiscal year ended July 2, 2010 include \$35 million of purchased intangibles amortization expense, \$66 million of restructuring costs, \$3 million expense (Other income/expense) related to the May 2010 termination of the revolving credit line, a net write down of long-lived assets of \$57 million offset by a \$50 million income tax benefit due principally to valuation allowance adjustments related to deferred tax assets. The aggregate impact of these items was a \$111 million reduction of net income or approximately \$0.22 per diluted share.

"I'm very encouraged by our financial and operational performance throughout fiscal 2010," said Steve Luczo, Seagate chairman, president and CEO. "In fiscal year 2010 we delivered record shipments, profitability and operating margin. The company responded well to the increase in global hard drive demand, which grew 22% year-over-year, introduced key new products, continued to strengthen the capital structure, and remained focused on improving key business fundamentals to position Seagate for future growth.

"Specific to our fiscal fourth quarter, two of our key assumptions entering the quarter did not materialize as expected and impacted our financial results – macro-economic stability and pricing reflective of balanced supply and demand. Industry demand in the fiscal fourth quarter was at the low end of our expectations due primarily to issues emanating from the debt crisis in Europe and slowing consumer spending especially in the U.S. and Europe. The lower unit shipments and unfavorable pricing at some key capacity points impacted Seagate's ability to deliver revenue and earnings for the quarter within our target range. Despite these factors, Seagate reported the highest operating results for a June quarter in the company's history."

About Seagate

Seagate is the world leader in hard disk drives and storage solutions. Learn more at seagate.com.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on information available to Seagate as of the date of this press release. Current expectations, forecasts and assumptions involve a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those anticipated by these forward-looking statements. Such risks, uncertainties, and other factors may be beyond the Company's control. In particular, global economic conditions may pose a risk to the Company's operating and financial performance. Such risks and uncertainties also include the impact of variable demand; dependence on Seagate'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; and the Company's ability to achieve projected cost savings. Information concerning risks, uncertainties and other factors that could cause results to differ materially from those projected in the forward-looking statements is contained in the Company's Annual Report on Form 10-K as filed with the U.S. Securities and Exchange Commission on August 19, 2009 and in the Company's Quarterly Report on Form 10-Q as filed with the U.S. Securities and Exchange Commission on May 5, 2010, which statements are incorporated into this press release by reference. These forward-looking statements should not be relied upon as representing the Company's views as of any subsequent date and Seagate undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date they were made.

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SEAGATE TECHNOLOGY PLC
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)
(Unaudited)

ASSETS	July 2, 2010	July 3, 2009 (a)
	2010	2009 (a)
Current assets:		
Cash and cash equivalents	\$ 2,263	\$ 1,427
Short-term investments	252	114
Restricted cash and investments	114	508
Accounts receivable, net	1,400	1,033
Inventories	757	587
Deferred income taxes	118	97
Other current assets	514	528
Total Current Assets	5,418	4,294
Property, equipment and leasehold improvements, net	2,263	2,229
Deferred income taxes	395	372
Other assets, net	171	192
Total Assets	\$ 8,247	\$ 7,087
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	\$ —	\$ 350
Accounts payable	1,780	1,573
Accrued employee compensation	263	144
Accrued warranty	189	213
Accrued expenses	422	483
Accrued income taxes	14	10
Current portion of long-term debt	329	421
Total Current Liabilities	2,997	3,194
Long-term accrued warranty	183	224
Long-term accrued income taxes	59	69
Other non-current liabilities	111	120
Long-term debt, less current portion	2,173	1,926
Total Liabilities	5,523	5,533
Total Shareholders' Equity	2,724	1,554
Total Liabilities and Shareholders' Equity	\$ 8,247	\$ 7,087

(a) As adjusted due to changes to the accounting for convertible debt instruments implemented in the first quarter of fiscal year 2010, applied on a retrospective basis.

SEAGATE TECHNOLOGY PLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share data)
(Unaudited)

	<u>For the Three Months Ended</u>		<u>For the Fiscal Year Ended</u>	
	<u>July 2, 2010</u>	<u>July 3, 2009 (a)</u>	<u>July 2, 2010</u>	<u>July 3, 2009 (a)</u>
Revenue	\$ 2,656	\$ 2,353	\$ 11,395	\$ 9,805
Cost of revenue	1,928	1,938	8,191	8,395
Product development	219	215	877	953
Marketing and administrative	115	113	437	537
Amortization of intangibles	4	14	27	55
Restructuring and other, net	16	84	66	210
Impairment of goodwill and other long-lived assets, net of recoveries	<u>(6)</u>	<u>—</u>	<u>57</u>	<u>2,320</u>
Total operating expenses	<u>2,276</u>	<u>2,364</u>	<u>9,655</u>	<u>12,470</u>
Income (loss) from operations	380	(11)	1,740	(2,665)
Interest income	2	2	6	17
Interest expense	(46)	(41)	(174)	(143)
Other, net	<u>4</u>	<u>(6)</u>	<u>(3)</u>	<u>(23)</u>
Other income (expense), net	<u>(40)</u>	<u>(45)</u>	<u>(171)</u>	<u>(149)</u>
Income (loss) before income taxes	340	(56)	1,569	(2,814)
Provision for (benefit from) income taxes	<u>(39)</u>	<u>27</u>	<u>(40)</u>	<u>311</u>
Net income (loss)	<u>\$ 379</u>	<u>\$ (83)</u>	<u>\$ 1,609</u>	<u>\$ (3,125)</u>
Net income (loss) per share:				
Basic	\$ 0.79	\$ (0.17)	\$ 3.28	\$ (6.40)
Diluted	0.76	(0.17)	3.14	(6.40)
Number of shares used in per share calculations:				
Basic	479	491	491	488
Diluted	500	491	514	488
Dividends declared per share	\$ —	\$ —	\$ —	\$ 0.27

(a) As adjusted due to changes to the accounting for convertible debt instruments implemented in the first quarter of fiscal year 2010, applied on a retrospective basis.