Seagate Technology plc
Form 10-K
August 08, 2013

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

ý **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended June 28, 2013

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 001-31560

SEAGATE TECHNOLOGY PUBLIC LIMITED COMPANY

(Exact name of registrant as specified in its charter)

Ireland	**98-0648577**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

38/39 Fitzwilliam Square
Dublin 2, Ireland
(Address of principal executive offices)

Registrant's telephone number, including area code: (353) (1) 234-3136

Securities registered pursuant to Section 12 (b) of the Act:

Title of Each Class	**Name of Each Exchange on Which Registered**
Ordinary Shares, par value $0.00001 per share	**The NASDAQ Global Select Market**

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ý NO o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934. YES o NO ý

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ý NO o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ý NO o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ý

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ý	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES o NO ý

The aggregate market value of the voting and non-voting ordinary shares held by non-affiliates of the registrant as of December 28, 2012, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $10.7 billion based upon the closing price reported for such date by the NASDAQ.

The number of outstanding ordinary shares of the registrant as of August 1, 2013 was 356,816,941.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A relating to the registrant's Annual General Meeting of Shareholders, to be held on October 30, 2013, will be incorporated by reference in this Form 10-K in response to Items 10, 11, 12, 13 and 14 of Part III. The definitive proxy statement will be filed with the SEC no later than 120 days after the registrant's fiscal year ended June 28, 2013.

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SEAGATE TECHNOLOGY PLC

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Annual Report on Form 10-K (the "Form 10-K"), unless the context indicates otherwise, as used herein, the terms "we," "us," "Seagate," the "Company" and "our" refer to Seagate Technology public limited company ("plc"), an Irish public limited company, and its subsidiaries. References to "$" are to United States dollars.

We have compiled the market size information in this Form 10-K using statistics and other information obtained from several third-party sources.

Various amounts and percentages used in this Form 10-K have been rounded and, accordingly, they may not total 100%.

We own or otherwise have rights to the trademarks and trade names, including those mentioned in this Form 10-K, used in conjunction with the marketing and sale of our products.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements and assumptions included in this Form 10-K are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 or 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 year ending June 27, 2014 and beyond contained in "Item 1. Business," "Item 1A. Risk Factors," "Item 3. Legal Proceedings," and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations." 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 us as of the date of this report 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 such statements. Such risks, uncertainties and other factors may be beyond our control and may pose a risk to our 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 our ability to successfully qualify, manufacture and sell our 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; a possible excess industry supply with respect to particular disk drive products; and
- our ability to achieve projected cost savings in connection with restructuring plans.

Additional risks and uncertainties are set forth and are discussed in more detail in "Item 1A. Risk Factors" of this Form 10-K. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Annual Report on Form 10-K. These forward-looking statements should not be relied upon as representing our views as of any subsequent date and we undertake no obligation to update forward-looking statements to reflect events or circumstances after the date they were made.

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PART I

ITEM 1. BUSINESS

We are a leading provider of electronic data storage products. Our principal products are hard disk drives, commonly referred to as disk drives, hard drives or HDDs. Hard disk drives are devices that store digitally encoded data on rapidly rotating disks with magnetic surfaces. Disk drives continue to be the primary medium of mass data storage due to their performance attributes, high quality and cost effectiveness.

We produce a broad range of electronic data storage products including HDDs, solid state hybrid drives (SSHD) and solid state drives (SSD), which address enterprise applications, where our products are designed for enterprise servers, mainframes and workstations; client compute applications, where our products are designed for desktop and notebook computers; and client non-compute applications, where our products are designed for a wide variety of end user devices such as digital video recorders (DVRs), gaming consoles, personal data backup systems, portable external storage systems and digital media systems. In addition to manufacturing and selling data storage products, we provide data storage services for small to medium-sized businesses, including online backup, data protection and recovery solutions.

Industry Overview

Electronic Data Storage Industry

The electronic data storage industry is comprised of companies that manufacture components or subcomponents designed for electronic data storage devices and companies that provide storage solutions through a variety of technologies such as disk drives, semiconductor-based storage technologies such as SSD storage applications and software and services for cloud growth, big data and on-premise and mobility platforms.

Markets

The principal markets served by the electronic data storage industry are:

Enterprise Storage. We define enterprise storage as those solutions which are designed for mission critical and nearline applications.

Mission critical applications are defined as those that are vital to the operation of enterprises, requiring high performance and high reliability solutions. We expect the market for mission critical enterprise storage solutions to continue to be driven by enterprises moving network traffic to dedicated storage area networks in an effort to reduce network complexity and increase energy savings. We believe that this transition will lead to an increased demand for more energy efficient, smaller form factor solutions. These solutions are comprised principally of high performance enterprise class disk drives with sophisticated firmware and communications technologies.

Nearline applications are defined as those which require high capacity and energy efficient solutions featuring low costs per gigabyte. We expect such applications, which include storage for cloud computing, content delivery and backup services, will continue to grow and drive demand for solutions designed with these attributes. With the increased consumption of media rich content streamed from the cloud, we expect increased petabyte demand for high capacity nearline devices.

Client Compute. We define client compute applications as solutions designed for desktop and mobile compute applications. We believe that the demand resulting from growing economies of certain countries and the continued proliferation of digital content will continue to drive demand for the client compute market. As the storage of digital content in the cloud becomes more prominent, some client compute applications require less built-in storage, and therefore alternative storage solutions are becoming more prevalent within the client compute market.

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Client Non-Compute. We define client non-compute applications as solutions designed for consumer electronic devices and disk drives used for external storage and network-attached storage (NAS). Disk drives designed for consumer electronic devices are primarily used in applications such as DVRs and gaming consoles that require a higher capacity, low cost-per-gigabyte storage solution. Disk drives for external and NAS devices are designed for purposes such as personal data backup and portable external storage, and to augment storage capacity in the consumer's current desktop, notebook, tablet or DVR disk drive capacities. Client non-compute applications also include devices designed to display digital media in the home theater. We believe the proliferation and personal creation of high definition and media-rich digital content will continue to create increasing consumer demand for higher storage solutions.

Participants in the electronic data storage industry include:

Major subcomponent manufacturers. Companies that manufacture components or subcomponents used in electronic data storage devices or solutions include companies that supply spindle motors, heads and media, application specific integrated circuits (ASICs) and glass substrates.

Hardware storage solutions manufacturers. Companies that transform components into storage products include disk drive manufacturers and semiconductor storage manufacturers which include integrating flash memory into storage products such as SSDs.

System integrators. Companies that bundle and package storage solutions into client compute, client non-compute or enterprise applications as well as enterprise storage solutions. Distributors that integrate storage hardware and software into end-user applications are also included in this category.

Storage services. Companies that provide services and solutions related to the backup, archiving, recovery and discovery of electronic data.

Demand for Electronic Data Storage

The continued advancement of cloud, mobile and open source computing, as well as an increase in the use and reliance on big data analytics are driving the growth of digital content. Factors contributing to this growth are the increased:

creation and sharing of all types of digital content, such as high-resolution photos, high definition video and movies, and music by consumers and large amounts of electronic data by enterprises;

aggregation and distribution of digital content through services and other offerings such as Facebook, Instagram, iTunes, LinkedIn, Netflix, Pandora and YouTube;

consumption of digital content through smart phones, tablets, DVRs, and gaming consoles;

use of machine generated data that is produced and stored in increasingly larger quantities; and

protection of digital content through storage on backup devices and externally provided storage services.

As a result of these factors, the nature and amount of content being created requires increasingly higher storage capacity in order to store, manage, distribute, utilize and backup such content. This in turn has resulted in the rapid growth in demand for electronic data storage applications and solutions which we believe will continue to grow in developed countries as well as in emerging economies.

Additionally, as the way electronic data is consumed continues to evolve with the proliferation of mobile devices and the growth of cloud computing, we also expect shifts in the manner that electronic data is stored. Accordingly, we expect that demand for electronic data storage in the enterprise and traditional non-compute markets will continue to grow.

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Demand Trends for Disk Drives

We believe that continued growth in digital content requires increasingly higher storage capacity in order to store, aggregate, host, distribute, manage, backup and use such content. We also believe that as architectures evolve to serve the growing commercial and consumer user base throughout the world, the manner which hard drives are delivered to market and utilized by our customers will evolve as well.

We believe that in the foreseeable future the traditional enterprise and client compute markets that require high capacity storage solutions, as well as the data intensive client non-compute markets, will continue to be best served by hard disk drives due to the industry's ability to deliver cost effective, reliable and energy efficient mass storage devices. Furthermore, the increased use of client non-compute devices that consume media rich content streamed from the cloud increases the demand for high capacity disk drives in nearline applications.

Industry Supply Balance

From time to time the industry has experienced periods of imbalance between supply and demand. To the extent that the disk drive industry builds capacity based on expectations of demand that do not materialize, price erosion may become more pronounced. Conversely, during periods where demand exceeds supply, price erosion is generally muted.

Our Business

Disk Drive Technology

The design and manufacturing of disk drives depends on highly advanced technology and manufacturing techniques and therefore requires high levels of research and development spending and capital equipment investments. Manufacturing our disk drives is a complex process that begins with the production of individual components and ends with a fully assembled disk drive. We design, fabricate and assemble a number of the most important components found in our disk drives, including read/write heads and recording media. Our design and manufacturing operations are based on technology platforms that are used to produce various disk drive products that serve multiple data storage applications and markets. Our core technology platforms are focused around the areal density of media and read/write head technologies. Using an integrated platform design and manufacturing leverage approach allows us to deliver a portfolio of disk drive products to service a wide range of electronic data storage applications and a wide range of industries.

Disk drives that we manufacture are commonly differentiated by the following key characteristics:

- storage capacity, commonly expressed in gigabytes (GB) or terabytes (TB), which is the amount of data that can be stored on the disk drive;
- spindle rotation speed, commonly expressed in revolutions per minute (RPM), which has an effect on speed of access to data;
- interface transfer rate, commonly expressed in megabytes per second, which is the rate at which data moves between the disk drive and the computer controller;
- average seek time, commonly expressed in milliseconds, which is the time needed to position the heads over a selected track on the disk surface;
- data transfer rate, commonly expressed in megabytes per second, which is the rate at which data is transferred to and from the disk drive;
- input/output operations per second (IOPS), commonly expressed in megabytes per second, which is the maximum number of reads and writes to a storage location;

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product quality and reliability, commonly expressed in annualized return rates; and

energy efficiency, commonly measured by the power output necessary to operate the disk drive.

Areal density is a measure of storage capacity per square inch on the recording surface of a disk. The storage capacity of a disk drive is determined by the number of disks it contains as well as the areal density capability of these disks. We have been pursuing, and will continue to pursue, a number of technologies to increase areal densities across the entire range of our products for expanding disk drive capacities and reducing the number of disks and heads per drive to further reduce product costs.

Manufacturing

Vertically integrated hard drive manufacturers design and produce their own read/write heads and recording media, which are critical technologies for disk drives. This integrated approach enables manufacturers to lower costs and to improve the functionality of components so that they work together efficiently.

We believe that because of our vertical design and manufacturing strategy, we are well suited to meet the challenges posed by the close interdependence of components for disk drives. Our manufacturing efficiency and flexibility are critical elements of our integrated business strategy. We continuously seek to improve our manufacturing efficiency and cost by:

employing manufacturing automation to enhance our efficiency;

improving product quality and reliability and reducing costs;

integrating our supply chain with suppliers and customers to enhance our demand visibility and reduce our working capital requirements;

coordinating between our manufacturing group and our research and development organization to rapidly achieve volume manufacturing; and

leveraging the facilities we operate and the personnel we employ.

A vertically integrated model, however, tends to have less flexibility when demand moderates as it exposes us to higher unit costs as capacity utilization is not optimized.

Due to the significant challenges posed by the need to continually innovate and improve manufacturing efficiency and the continued demands on capital and research and development investments required to do so, the disk drive industry has undergone significant consolidation as disk drive manufacturers and component manufacturers merged with other companies or exited the industry.

Components and Raw Materials

Disk drives incorporate certain components, including a head disk assembly and a printed circuit board mounted to the head disk assembly, which are sealed inside a rigid base and top cover containing the recording components in a contamination controlled environment. We maintain a highly integrated approach to our business by designing and manufacturing a significant portion of the components we view as critical to our products, such as recording heads and media.

Read/Write Heads. The function of the read/write head is to scan across the disk as it spins, magnetically recording or reading information. The tolerances of recording heads are extremely demanding and require state-of-the-art equipment and processes. Our read/write heads are manufactured with thin-film and photolithographic processes similar to those used to produce semiconductor integrated circuits, though challenges in magnetic film properties and topographical structures are unique to the disk drive industry. We perform all primary stages of design and manufacture of read/write heads at our

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facilities. We use a combination of internally manufactured and externally sourced read/write heads, the mix of which varies based on product mix, technology and our internal capacity levels.

Media. Information is written to the media, or disk, as it rotates at very high speeds past the read/write head. The media is made from non-magnetic material, usually aluminum alloy or glass, and is coated with a thin layer of magnetic material. We use a combination of internally manufactured and externally sourced finished media and aluminum substrates, the mix of which varies based on product mix, technology and our internal capacity levels. We purchase all of our glass substrates from third parties, which we use in the disk drives we make for mobile products.

Printed Circuit Board Assemblies. The printed circuit board assemblies (PCBAs) are comprised of standard and custom ASICs and ancillary electronic control chips. The ASICs control the movement of data to and from the read/write heads and through the internal controller and interface, which communicates with the host computer. The ASICs and control chips form electronic circuitry that delivers instructions to a head positioning mechanism called an actuator to guide the heads to the selected track of a disk where the data is recorded or retrieved. Disk drive manufacturers use one or more industry standard interfaces such as serial advanced technology architecture (SATA); small computer system interface (SCSI); serial attached SCSI (SAS); or Fibre Channel (FC) to communicate to the host systems. We outsource to third parties the manufacture and assembly of the PCBAs used in our disk drives. We do not manufacture any ASICs, but we participate in their proprietary design.

Head Disk Assembly. The head disk assembly consists of one or more disks attached to a spindle assembly powered by a spindle motor that rotates the disks at a high constant speed around a hub. Read/write heads, mounted on an arm assembly, similar in concept to that of a record player, fly extremely close to each disk surface and record data on and retrieve it from concentric tracks in the magnetic layers of the rotating disks. The read/write heads are mounted vertically on an E-shaped assembly (E-block) that is actuated by a voice-coil motor to allow the heads to move from track to track. The E-block and the recording media are mounted inside the head disk assembly. We purchase spindle motors from outside vendors and from time to time participate in the design of the motors that go into our products. We use a combination of internally manufactured and externally sourced head disk assemblies.

Disk Drive Assembly. Following the completion of the head disk assembly, it is mated to the PCBA, and the completed unit goes through extensive defect mapping and testing prior to packaging and shipment. Disk drive assembly and test operations occur primarily at facilities located in China and Thailand. We perform subassembly and component manufacturing operations at our facilities in China, Malaysia, Northern Ireland, Singapore, Thailand and in the United States in Minnesota. In addition, third parties manufacture and assemble components and disk drive assemblies for us in various countries worldwide.

Suppliers of Components and Industry Constraints. There are a limited number of independent suppliers of components, such as recording heads and media, available to disk drive manufacturers. Vertically integrated disk drive manufacturers, who manufacture their own components, are less dependent on external component suppliers than less vertically integrated disk drive manufacturers.

Commodity and Other Manufacturing Costs. The production of disk drives requires rare earth elements, precious metals, scarce alloys and industrial commodities, which are subject to fluctuations in prices and the supply of which has at times been constrained. In addition to increased costs of components and commodities, volatility in fuel costs may also increase our costs related to commodities, manufacturing and freight. As a result, we may increase our use of ocean shipments to help offset any increase in freight costs.

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Products

We offer a broad range of HDD's, SSHD's, and SSD's, for the enterprise, datacenter, client compute and client non-compute applications. We offer more than one product within each product category and differentiate products on the basis of price, performance, form factor, capacity, interface, power consumption efficiency, security features like full disk encryption and instant encryption key replacement through our Instant Erase technology, and other customer integration requirements. Our industry is characterized by continuous and significant advances in technology which contribute to rapid product life cycles. We list our main current product offerings below.

Enterprise Storage

Enterprise Performance Family. Our 10,000 and 15,000 RPM Enterprise Performance Family disk drives feature increased throughput and improved energy efficiency, targeted at high random performance server application needs. Performance 10,000 RPM HDDs ship in storage capacities ranging from 300GB to 900GB, and our 15,000 RPM HDDs ship in storage capacities ranging from 146GB to 600GB.

Enterprise Capacity HDD Family. Our Enterprise Capacity disk drives ship in a 2.5-inch and 3.5-inch form factor and in storage capacities of up to 4TB that clock in at 7,200 RPM speeds. These products are designed for bulk data storage and server environments that require high capacity, enterprise reliability, energy efficiency and integrated security, SATA and SAS interfaces.

Enterprise Value HDD Family. Providing up to 3TB of SATA-based high capacity, 3.5-inch energy-efficient enterprise storage, the Enterprise Value hard disk drive offers low-cost bulk storage designed for vast amounts of unstructured data in the cloud. It features low power for energy efficient operations and ensures reliable operations in 24x7 multi-drive replicated environments.

Seagate Terascale HDD Family. Available in capacities up to 4TB in a 3.5-inch enterprise-class SATA hard drive, the Terascale HDD is designed to provide data centers with the storage scalability they need to meet demands in low workload, 24x7 replicated environments.

We also ship SSHD and SSD enterprise solutions, including our Enterprise Turbo SSHD, 1200 SSD and 600 Pro SSD products. These products offer an alternative solution to HDDs, with higher speeds than traditional HDDs, and capacities of up to 800 GB.

Client Compute

Laptop HDDs and SSHDs. Our family of laptop drives ship in a variety of form factors (5mm to 9.5mm drive height), capacities (250GB to 1TB) and technologies (HDD and SSHD) to support mobile needs. Used in applications ranging from traditional laptops to tablets, our drives are built to address a range of performance needs and sizes for affordable, high capacity storage.

Spinpoint SATA Mobile Family. Our Spinpoint M8 2.5-inch mobile computing disk drives ship in 5,400 RPM, come in storage capacities of up to 1 TB, and continue to be produced under the Samsung brand name.

Desktop HDD and SSHDs. Our 3.5-inch family of desktop drives ship in both traditional HDD and SSHD configurations and offer up to 4TB. Desktop drives are designed for applications such as PCs, workstations and personal external storage devices.

Client Non-Compute

Video 3.5 and Video 2.5 HDDs. We sell our 3.5 and 2.5-inch Video HDDs for use in video applications like DVR, media centers or gaming consoles. These disk drives are optimized for video

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streaming in always-on applications with capacities up to 4TB to support leading-edge digital entertainment.

SV35: Surveillance HDDs. Our surveillance drives are built to support the high-write workload of an always-on, always-recording video surveillance system. This surveillance optimized drive was built to support the growing needs of the surveillance market with support for multiple HD streams and capacities up to 3TB.

We ship external backup storage solutions under our Backup Plus and Expansion product lines, as well as under the Samsung and LaCie brand names. These product lines utilize our 3.5-inch and 2.5-inch disk drives, which are available in capacities up to 4TB and 1TB, respectively. In addition, we ship the Wireless Plus wireless drive for use with secondary mobile devices utilizing a 2.5-inch 1TB drive. We also ship network attached storage (NAS) solutions under our Central and Business Storage product lines. These product lines utilize our 3.5-inch disk drives; our Central products are available in capacities up to 4TB, and our Business Storage products are available in capacities up to 16TB.

Customers

We sell our products to major OEMs, distributors and retailers.

The following table summarizes our revenue[(1)] by channel and by geography:

	Fiscal Years Ended		
	June 28, 2013	June 29, 2012	July 1, 2011
Revenues by Channel (%)			
OEM	68%	72%	69%
Distributors	21%	21%	22%
Retail	11%	7%	9%
Revenues by Geography (%)			
Americas	27%	26%	29%
EMEA	19%	19%	20%
Asia Pacific	54%	55%	51%

(1) Revenue is attributed to countries based on the shipping location.

OEM customers typically enter into master purchase agreements with us. These agreements provide for pricing, volume discounts, order lead times, product support obligations and other terms and conditions including sales programs offered to promote selected products. Deliveries are scheduled only after receipt of purchase orders. In addition, with limited lead-time, customers may defer most purchase orders without significant penalty. Anticipated orders from many of our customers have in the past failed to materialize or OEM delivery schedules have been deferred or altered as a result of changes in their business needs.

Our distributors generally enter into non-exclusive agreements for the resale of our products. They typically furnish us with a non-binding indication of their near-term requirements and product deliveries are generally scheduled accordingly. The agreements and related sales programs typically provide the distributors with limited right of return and price protection rights. In addition, we offer sales programs to distributors on a quarterly and periodic basis to promote the sale of selected products in the sales channel.

Our retail channel consists of our branded storage products sold to retailers either by us directly or by our distributors. Retail sales made by us or our distributors typically require greater marketing support, sales incentives and price protection periods.

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In fiscal years 2013, 2012 and 2011, Dell Inc. accounted for approximately 13%, 15% and 13% of consolidated revenue, respectively, while Hewlett-Packard Company accounted for approximately 10%, 14% and 15% of consolidated revenue, respectively. See "Item 1A. Risk Factors Risks Related to Our Business Dependence on Key Customers We may be adversely affected by the loss of, or reduced, delayed or canceled purchases by, one or more of our larger customers."

Competition

We compete primarily with manufacturers of hard drives used in the enterprise, client compute and client non-compute applications, but have in the past few years also competed with manufacturers of solid-state drives. The markets that we compete in are intensely competitive. Disk drive manufacturers not only compete for a limited number of major disk drive customers but also compete with other companies in the electronic data storage industry that provide alternative storage solutions, such as flash memory and SSDs. Some of the principal factors used by customers to differentiate among electronic data storage solutions manufacturers are storage capacity, product performance, product quality and reliability, price per unit and price per gigabyte, time-to-market and time-to-volume leadership, storage/retrieval access times, data transfer rates, form factor, product warranty and support capabilities, supply continuity and flexibility, warranty and brand. While different markets and customers place varying levels of emphasis on these factors, we believe that our products are competitive with respect to each of these factors in the markets that we currently address.

Principal Disk Drive Competitors. Following industry consolidation during fiscal year 2012, three disk drive companies remain:

Seagate, selling the Seagate and Samsung brands;

Western Digital Corporation, operating the Western Digital and Hitachi Global Storage Technologies subsidiaries; and

Toshiba Corporation

Other Competitors. We also are experiencing competition from companies that provide alternative storage technologies such as flash memory and SSDs used in mobile applications such as tablets, notebooks and lower capacity hand held devices in addition to SSDs used in enterprise applications for rapid processing and high volume transactions. Additionally, we may in the future face indirect competition from customers who from time to time evaluate whether to offer electronic data storage products that may compete with our products.

Price Erosion. Historically, our industry has been characterized by price declines for disk drive products with comparable capacity, performance and feature sets ("like-for-like products"). Price declines for like-for-like products ("price erosion") have been more pronounced during periods of:

economic contraction in which competitors may use discounted pricing to attempt to maintain or gain market share;

few new product introductions when competitors have comparable or alternative product offerings; and

industry supply exceeding demand.

Disk drive manufacturers typically attempt to offset price erosion with an improved mix of disk drive products characterized by higher capacity, better performance and additional feature sets and/or product cost reductions.

Product Life Cycles and Changing Technology. Success in our industry has been dependent to a large extent on the ability to balance the introduction and transition of new products with time-to-volume,

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performance, capacity and quality metrics at a competitive price, level of service and support that our customers expect. Generally those disk drive manufactures that are able to introduce new products first benefit from improved product mix, favorable profit margins and less pricing pressure until comparable products are introduced. Changing technology also necessitates on-going investments in research and development, which may be difficult to recover due to rapid product life cycles and economic declines. Further, there is a continued need to successfully execute product transitions and new product introductions, as factors such as quality, reliability and manufacturing yields become of increasing competitive importance.

Seasonality

The disk drive industry traditionally experiences seasonal variability in demand with higher levels of demand in the second half of the calendar year. This seasonality is driven by consumer spending in the back-to-school season from late summer to fall and the traditional holiday shopping season from fall to winter.

Research and Development

We are committed to developing new component technologies, products and alternative storage technologies. Our research and development focus is designed to bring new products to market in high volume, with quality attributes that our customers expect, before our competitors. Part of our product development strategy is to leverage a design platform and/or subsystem within product families to serve different market needs. This platform strategy allows for more efficient resource utilization, leverages best design practices, reduces exposure to changes in demand, and allows for achievement of lower costs through purchasing economies. Our advanced technology integration effort focuses disk drive and component research on recording subsystems, including read/write heads and recording media, market-specific product technology and technology focused towards new business opportunities. The primary purpose of our advanced technology integration effort is to ensure timely availability of mature component technologies to our product development teams as well as allowing us to leverage and coordinate those technologies in the design centers across our products in order to take advantage of opportunities in the marketplace. During fiscal years 2013, 2012 and 2011, we had product development expenses of approximately $1,133 million, $1,006 million and $875 million, respectively, which represented 8%, 7% and 8% of our consolidated revenue, respectively.

Patents and Licenses

As of June 28, 2013, we had 5,570 U.S. patents and 1,965 patents issued in various foreign jurisdictions as well as 1,304 U.S. and 1,259 foreign patent applications pending. The number of patents and patent applications will vary at any given time as part of our ongoing patent portfolio management activity. Due to the rapid technological change that characterizes the electronic data storage industry, we believe that, in addition to patent protection, the improvement of existing products, reliance upon trade secrets, protection of unpatented proprietary know-how and development of new products are also important to our business in establishing and maintaining a competitive advantage. Accordingly, we intend to continue our efforts to broadly protect our intellectual property, including obtaining patents, where available, in connection with our research and development program.

The electronic data storage industry is characterized by significant litigation relating to patent and other intellectual property rights. Because of rapid technological development in the electronic data storage industry, some of our products have been, and in the future could be, alleged to infringe existing patents of third parties. From time to time, we receive claims that our products infringe patents of third parties. Although we have been able to resolve some of those claims or potential claims by obtaining licenses or rights under the patents in question without a material adverse affect on us, other claims have resulted in adverse decisions or settlements. In addition, other claims are pending, which if resolved

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unfavorably to us could have a material adverse effect on our business and results of operations. For more information on these claims, see "Item 8. Financial Statements and Supplementary Data Note 14, Legal, Environmental, and Other Contingencies." The costs of engaging in intellectual property litigation in the past have been, and in the future may be, substantial, irrespective of the merits of the claim or the outcome. We have patent licenses with a number of companies. Additionally, as part of our normal intellectual property practices, we may be engaged in negotiations with other major electronic data storage companies and component manufacturers with respect to patent licenses.

Backlog

In view of industry practice, whereby customers may cancel or defer orders with little or no penalty, we believe backlog in the disk drive industry is of limited indicative value in estimating future performance and results.

Environmental Matters

Our operations are subject to U.S. and foreign laws and regulations relating to the protection of the environment, including those governing discharges of pollutants into the air and water, the management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. Some of our operations require environmental permits and controls to prevent and reduce air and water pollution, and these permits are subject to modification, renewal and revocation by issuing authorities.

We have established environmental management systems and continually update environmental policies and standard operating procedures for our operations worldwide. We believe that our operations are in material compliance with applicable environmental laws, regulations and permits. We budget for operating and capital costs on an ongoing basis to comply with environmental laws. If additional or more stringent requirements are imposed on us in the future, we could incur additional operating costs and capital expenditures.

Some environmental laws, such as the Comprehensive Environmental Response Compensation and Liability Act of 1980 (as amended, the "Superfund" law) and its state equivalents, can impose liability for the cost of cleanup of contaminated sites upon any of the current or former site owners or operators or upon parties who sent waste to these sites, regardless of whether the owner or operator owned the site at the time of the release of hazardous substances or the lawfulness of the original disposal activity. We have been identified as a potentially responsible party at several sites. At each of these sites, we have an assigned portion of the financial liability based on the type and amount of hazardous substances disposed of by each party at the site and the number of financially viable parties. We have fulfilled our responsibilities at some of these sites and remains involved in only a few at this time.

While our ultimate costs in connection with these sites is difficult to predict with complete accuracy, based our current estimates of cleanup costs and its expected allocation of these costs, we do not expect costs in connection with these sites to be material.

We may be subject to various state, federal and international laws and regulations governing the environment, including those restricting the presence of certain substances in electronic products. For example, the European Union ("EU") enacted the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment, which prohibits the use of certain substances, including lead, in certain products, including disk drives, put on the market after July 1, 2006. Similar legislation has been or may be enacted in other jurisdictions, including in the United States, Canada, Mexico, Taiwan, China, Japan and others. The European Union REACH Directive (Registration, Evaluation, Authorization, and Restriction of Chemicals, EC 1907/2006) also restricts substances of very high concern ("SVHCs") in products. If we or our suppliers fail to comply with the substance restrictions, recycle requirements or other environmental requirements as they are enacted worldwide, it could have a materially adverse effect on our business.

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Employees

At June 28, 2013, we employed approximately 53,200 employees and temporary employees worldwide, of which approximately 45,000 employees were located in our Asian operations. We believe that our future success will depend in part on our ability to attract and retain qualified employees at all levels. We believe that our employee relations are good.

Financial Information

Financial information for our reportable business segment and about geographic areas is set forth in "Item 8. Financial Statements and Supplementary Data Note 13, Business Segment and Geographic Information."

Corporate Information

On July 3, 2010, we consummated our previously announced reorganization pursuant to which Seagate Technology public limited company, a public limited company organized under the laws of Ireland, became the publicly traded parent of the Seagate corporate family. Prior to the reorganization our publicly traded parent was Seagate Technology, an exempted company incorporated with limited liability under the laws of the Cayman Islands.

Available Information

Availability of Reports. We are a reporting company under the Securities Exchange Act of 1934, as amended (the "1934 Exchange Act"), and we file reports, proxy statements and other information with the U.S. Securities and Exchange Commission (the "SEC"). The public may read and copy any of our filings at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Because we make filings to the SEC electronically, the public may access this information at the SEC's website: *www.sec.gov*. This site contains reports, proxies and information statements and other information regarding issuers that file electronically with the SEC.

Web Site Access. Our website is *www.seagate.com*. We make available, free of charge at the "Investors" section of our website, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the 1934 Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Reports of beneficial ownership filed pursuant to Section 16(a) of the 1934 Exchange Act are also available on our web site. Information in, or that can be accessed through, our web site is not incorporated into this Form 10-K.

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Executive Officers

The following sets forth the name, age and position of each of the persons who were serving as executive officers as of August 7, 2013. There are no family relationships among any of our executive officers.

Name	Age	Positions
Stephen J. Luczo	56	Chairman, President and Chief Executive Officer
Patrick J. O'Malley	51	Executive Vice President, Chief Financial Officer
Kenneth M. Massaroni	52	Executive Vice President, General Counsel and Chief Administrative Officer
William D. Mosley	46	Executive Vice President, Operations
Albert A. "Rocky" Pimentel	57	Executive Vice President, Chief Sales and Marketing Officer
D. Kurt Richarz	52	Executive Vice President, Sales
Mark Re	53	Senior Vice President, Chief Technology Officer
Douglas DeHaan	55	General Manager, Samsung HDD Brand of Products
David H. Morton Jr.	41	Vice President, Finance, Treasurer and Principal Accounting Officer

Stephen J. Luczo, Chairman, President and Chief Executive Officer. Mr. Luczo, 56, has served as President and CEO since January 2009, and continues to serve as Chairman of the Board. Mr. Luczo joined Seagate in October 1993 as Senior Vice President of Corporate Development. In September 1997, he was promoted to President and Chief Operating Officer of our predecessor, Seagate Technology, Inc. and, in July 1998, he was promoted to CEO at which time he joined the Board of Directors of Seagate Technology, Inc. He was appointed Chairman of the Board in 2002. Mr. Luczo resigned as CEO effective as of July 3, 2004, but retained his position as Chairman of the Board. He served as non-employee Chairman from October 2006 to January 2009. From October 2006 until he rejoined us in January 2009, Mr. Luczo was a private investor. Prior to joining Seagate in 1993, Mr. Luczo was Senior Managing Director of the Global Technology Group of Bear, Stearns & Co. Inc., an investment banking firm, from February 1992 to October 1993. Mr. Luczo was appointed to the board of directors of Microsoft Corporation in May 2012.

Patrick J. O'Malley, Executive Vice President and Chief Financial Officer. Mr. O'Malley, 51, has served as Executive Vice President and Chief Financial Officer since August 2008. Previously, he served as Senior Vice President, Finance from 2005 to August 2008, and assumed the additional roles of Principal Accounting Officer and Treasurer in 2006. Prior to that, he was Senior Vice President, Consumer Electronics from 2004 to 2005; Senior Vice President, Finance, Manufacturing from 1999 to 2004; Vice President, Finance-Recording Media from 1997 to 1999; Senior Director Finance, Desktop Design, from 1996 to 1997; Senior Director, Finance, Oklahoma City Operations from 1994 to 1996; Director/Manager, Corporate Financial Planning & Analysis from 1991 to 1994; Manager, Consolidations & Cost Accounting from 1990 to 1991; Manager, Consolidations from 1988 to 1990; and Senior Financial Analyst in 1988. Mr. O'Malley was appointed to the board of directors of E2open, Inc. in January 2012.

Kenneth M. Massaroni, Executive Vice President, General Counsel and Chief Administrative Officer. Mr. Massaroni, 52, was appointed Executive Vice President, General Counsel and Chief Administrative Officer in July 2011. Prior to that, he served as Senior Vice President, General Counsel and Corporate Secretary from April 2008 through July 2011; Vice President and Acting General Counsel from December 2007 to April 2008; and Vice President of Intellectual Property from 2006 to December 2007. Prior to joining Seagate in 2006, Mr. Massaroni was vice president of law, deputy general counsel and assistant secretary at Scientific-Atlanta Inc. from 1997 to 2006. In addition, Mr. Massaroni has also held senior patent counsel positions at Motorola Inc. from 1993 to 1997, served as general counsel and secretary at Optical Imaging Systems, Inc. from 1990 to 1992 and as a patent attorney at Energy Conversion

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Devices Inc. from 1987 to 1990, and as an associate at the law firm of Collier, Shannon, Rill and Scott from 1992 to 1993.

William D. Mosley, Executive Vice President, Operations. Mr. Mosley, 46, has served as Executive Vice President, Operations since March 2011. Prior to that, he served as Executive Vice President, Sales and Marketing from September 2009 through March 2011; Executive Vice President, Sales, Marketing and Product Line Management from February 2009 to September 2009; Senior Vice President, Global Disk Storage Operations from 2007 to 2009; Vice President, Research and Development, Engineering from 2002 to 2007; Senior Director, Research and Development, Engineering from 2000 to 2002; Director, Research and Development, Engineering from 1998 to 2000; and Manager, Operations and Manufacturing from 1996 to 1998.

Albert A. "Rocky" Pimentel, Executive Vice President, Worldwide Sales and Marketing. Mr. Pimentel, 57, joined Seagate in April 2011. Mr. Pimentel was previously a director of Seagate from 2009 until his resignation from the Board of Directors on April 7, 2011. Mr. Pimentel served as Chief Operating Officer and Chief Financial Officer ("CFO") at McAfee, Inc., from 2008 until he retired in August 2010. He served as the Executive Vice President and CFO of Glu Mobile from 2004 to 2008. Prior to joining Glu Mobile, Mr. Pimentel served as Executive Vice President and CFO at Zone Labs from 2003 to 2004, which was acquired by Check Point Software in 2004. From 2001 to 2003, Mr. Pimentel was a partner with Redpoint Ventures. Mr. Pimentel also held the positions of Senior Vice President and CFO of WebTV Networks, which was acquired by Microsoft in 1997; from 1996 until 2001, Senior Vice President and CFO of LSI Logic Corporation from 1992 to 1996 and was part of the founding management team of Conner Peripherals, Inc., which was acquired by the Company in 1996.

D. Kurt Richarz, Executive Vice President, Sales and Marketing. Mr. Richarz, 52, joined Seagate in May 2006, when we acquired Maxtor Corporation. He has served as our Executive Vice President, Sales and Marketing since March 2011. Prior to that, he served as our Executive Vice President, Sales from May 2008 through March 2011; Executive Vice President, Sales and Customer Service Operations since from May 2006 to May 2008; Senior Vice President of Global OEM Sales from 2007 to 2008, and Vice President of Global OEM Sales from 2006 to 2007. At Maxtor Corporation, from 2002 to 2006, he served as Vice President, Global OEM Account Sales and Senior Vice President of Worldwide Sales. From 1990 to 2001, he served in various sales positions at Quantum Corporation.

Mark Re, Senior Vice President, Chief Technology Officer. Mr. Re, 53, joined Seagate in August 2003 and has served as Senior Vice President, Research and Development, since July 2013. Prior to that, he served as Vice President, Research, from August 2003 to August 2006; Senior Vice President, Research, from August 2006 to March 2009; Senior Vice President, Recording Media Operations, from March 2009 to March 2011; and Senior Vice President, Recording Media and Heads Research and Development. Mr. Re also served as Senior Vice President, Research and Development at Read Rite Corporation from 1998 to 2003. Mr. Re currently serves on the Scientific Advisory Board for the Data Storage Institute, as well as on the Pittsburgh Technology Council and the Advanced Storage Technology Consortium.

Douglas DeHaan, General Manager, Samsung HDD Brand of Products. Mr. DeHaan, 55, has been General Manager, Samsung HDD Products since September 2012. Prior to that, he served as Senior Vice President, Operations and Materials, from February 2009 until September 2012; Senior Vice President of Quality from 2008 to 2009; Senior Vice President of Product and Process Development, Core Products, from 2003 to 2008; Senior Vice President, Process Development and Product Launch, from 2001 to 2003; Vice President, Seagate Factory of the Future Initiative, from 1999 to 2001; Vice President, Twin Cities Manufacturing Operations, from 1996 to 1999; Vice President, Singapore Operations, from 1994 to 1996; and Senior Director, Manufacturing Engineering/Twin Cities Operations, from 1992 to 1994.

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David H. Morton Jr., Vice President, Finance, Treasurer and Principal Accounting Officer. Mr. Morton, 41, joined Seagate in 1995 and has served as our Vice President, Finance, Treasurer and Principal Accounting Officer since October 2009. Prior to that, he served as our Vice President of Finance, Sales and Marketing from March 2009 to October 2009; Vice President of Sales Operations from July 2007 to March 2009; Vice President of Finance, Storage Markets from October 2006 to July 2007; Executive Director of Consumer Electronics Finance from October 2005 to October 2006; and Executive Director of Corporate FP&A from June 2004 to October 2005. Prior to June 2004, Mr. Morton held a variety of progressively senior management positions within our finance organization.

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ITEM 1A. RISK FACTORS

Risks Related to our Business

Macroeconomic Conditions Changes in the macroeconomic environment have, and may continue to, negatively impact our results of operations.

Due to the continuing uncertainty about current macroeconomic conditions affecting consumer and enterprise spending, we believe our customers may postpone spending in response to tighter credit, unemployment, negative financial news and/or declines in income or asset values, which could have a material adverse effect on the demand for our products. Continuing high unemployment rates, low levels of consumer liquidity, risk of default on sovereign debt and volatility in credit and equity markets have weakened consumer confidence and decreased consumer and enterprise spending in many regions around the world. Other factors that could influence demand include conditions in the residential real estate and mortgage markets, labor and healthcare costs, access to credit, consumer confidence and other macroeconomic factors affecting consumer spending behavior. These and other economic factors could have a material adverse effect on demand for our products and on our financial condition and operating results.

Competition Our industry is highly competitive and our products have experienced and may continue to experience significant price erosion and market share variability.

The disk drive industry is intensely competitive and vendors have typically experienced substantial price erosion over the life of a product. Our competitors have historically offered existing products at lower prices as part of a strategy to gain or retain market share and customers. Should these practices continue, we may need to continually reduce our prices for existing products to retain our market share, which could adversely affect our results of operations.

While recent slowing areal density improvements and longer product lifecycles have necessitated that hard drive manufacturers reduce engagement in aggressive pricing tactics that have historically led to increased price erosion, we believe that industry price erosion and market share may remain volatile should the industry engage in aggressive pricing actions targeted to shift customer demand.

Sales to distributors that serve producers of non-branded products in the personal storage sector may also contribute to increased price erosion. These customers generally have limited product qualification programs, which increases the number of competing products available to satisfy their demand. As a result, purchasing decisions for these customers are based largely on price and terms. Any increase in our average price erosion would have an adverse effect on our results of operations.

Additionally, a significant portion of our success in the past has been a result of increasing our market share at the expense of our competitors, particularly in enterprise markets. Market share for our products can be negatively affected by our customers' diversifying their sources of supply as our competitors enter the market for particular products, as well as by our ability to ramp volume production of new product offerings. When our competitors successfully introduce product offerings that are competitive with our recently introduced products, our customers may quickly diversify their sources of supply. Any significant decline in our market share in any of our principal market applications would adversely affect our results of operations.

Principal Competitors We compete with both an independent manufacturer, whose primary focus is producing technologically advanced disk drives, and a captive manufacturer, who does not depend solely on sales of disk drives to maintain its profitability.

We have experienced and expect to continue to experience intense competition from an independent disk drive manufacturer, and a captive manufacturer. The term "independent" in this context refers to manufacturers that primarily produce disk drives as a stand-alone product, such as Western Digital

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Corporation, and the term "captive" in this context refers to a manufacturer who through affiliated entities produces complete computer or other systems that contain disk drives or other electronic data storage products, such as Toshiba Corporation.

The captive manufacturer is a formidable competitor because it has the ability to determine pricing for complete systems without regard to the margins on individual components. As components other than disk drives generally contribute a greater portion of the operating margin on a complete computer system than do disk drives, the captive manufacturer does not necessarily need to realize a profit on the disk drives included in a complete computer system and, as a result, may be willing to sell disk drives to third parties at very low margins. The captive manufacturer is also a formidable competitor because it has more substantial resources than we do. To the extent we are not successful competing with the captive or independent disk drive manufacturers, our results of operations will be adversely affected.

In response to customer demand for high-quality, high-volume and low-cost disk drives, manufacturers of disk drives have had to develop large, and in some cases global, production facilities with highly developed technological capabilities and internal controls. The development of these large production facilities combined with industry consolidation can further increase the intensity of competition.

We also face indirect competition from present and potential customers who evaluate from time to time whether to manufacture their own disk drives or other electronic data storage products that may compete with our products.

We also experience competition from other companies that produce alternative storage technologies like flash memory, where increasing capacity, decreasing cost, energy efficiency and improvements in performance ruggedness have resulted in competition with our lower capacity, smaller form factor disk drives. While this competition has traditionally been in the markets for handheld consumer electronics applications, these competitors have announced solid state drives (SSDs) for tablet, notebook and enterprise compute applications. Certain customers for both notebook and enterprise compute applications are adopting SSDs as alternatives to hard drives in certain applications.

Volatility of Quarterly Results Our quarterly results of operations fluctuate, sometimes significantly, from period to period, and may cause our share price to decline.

In the past, our quarterly revenue and results of operations have fluctuated, sometimes significantly, from period to period. These fluctuations, which we expect to continue, may be occasioned by a variety of factors, including:

- current uncertainty in global economic conditions may pose a risk to the overall economy;
- adverse changes in the level of economic activity in the major regions in which we do business;
- competitive pressures resulting in lower selling prices by our competitors targeted to encourage shifting of customer demand;
- delays or problems in our introduction of new products, particularly new disk drives with lower cost structures, the inability to achieve high production yields or delays in customer qualification or initial product quality issues;
- changes in purchasing patterns by our distributor customers;
- increased costs or adverse changes in availability of supplies of raw materials or components;
- the impact of corporate restructuring activities that we have and may continue to engage in;
- changes in the demand for the computer systems, storage subsystems and consumer electronics that contain our disk drives, due to seasonality, economic conditions and other factors;

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changes in purchases from period to period by our primary customers, particularly as our competitors are able to introduce and produce in volume competing disk drive solutions or alternative storage technology solutions, such as flash memory or SSDs;

shifting trends in customer demand which, when combined with overproduction of particular products, particularly when the industry is served by multiple suppliers, results in unfavorable supply/demand imbalances;

our high proportion of fixed costs, including research and development expenses;

announcements of new products, services or technological innovations by us or our competitors; and

adverse changes in the performance of our products.

As a result, we believe that quarter-to-quarter comparisons of our revenue and results of operations may not be meaningful, and that these comparisons may not be an accurate indicator of our future performance. Our results of operations in one or more future quarters may fail to meet the expectations of investment research analysts or investors, which could cause an immediate and significant decline in the trading price of our ordinary shares.

Difficulty in Predicting Quarterly Demand If we fail to predict demand accurately for our products in any quarter, we may not be able to recapture the cost of our investments.

The disk drive industry operates on quarterly purchasing cycles, with much of the order flow in any given quarter typically coming at the end of that quarter. Our manufacturing process requires us to make significant product-specific investments in inventory in each quarter for that quarter's production. Since we typically receive the bulk of our orders late in a quarter after we have made our investments, there is a risk that our orders will not be sufficient to allow us to recapture the costs of our investment before the products resulting from that investment have become obsolete. We cannot assure you that we will be able to accurately predict demand in the future.

The difficulty in forecasting demand also increases the difficulty in anticipating our inventory requirements, which may cause us to over-produce finished goods, resulting in inventory write-offs, or under-produce finished goods, affecting our ability to meet customer requirements. Additionally, the risk of inventory write-offs could increase if we were to continue to hold higher inventory levels. We cannot be certain that we will be able to recover the costs associated with increased inventory.

Other factors that may negatively impact our ability to recapture the cost of investments in any given quarter include:

the impact of variable demand and an aggressive pricing environment for disk drives;

the impact of competitive product announcements and possible excess industry supply both with respect to particular disk drive products and with respect to competing alternative storage technology solutions such as SSDs in tablet, notebook and enterprise compute applications;

our inability to reduce our fixed costs to match sales in any quarter because of our vertical manufacturing strategy, which means that we make more capital investments than we would if we were not vertically integrated;

dependence on our ability to successfully qualify, manufacture and sell in increasing volumes on a cost-effective basis and with acceptable quality our disk drive products, particularly the new disk drive products with lower cost structures;

variations in the cost of components for our products, especially during periods when the U.S. dollar is relatively volatile as compared to other currencies;

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uncertainty in the amount of purchases from our distributor customers who from time to time constitute a large portion of our total sales;

our product mix and the related margins of the various products;

accelerated reduction in the price of our disk drives due to technological advances and/or an oversupply of disk drives in the market and shifting trends in demand which can create supply and demand imbalances;

manufacturing delays or interruptions, particularly at our manufacturing facilities in China, Malaysia, Northern Ireland, Singapore, Thailand or the United States;

limited access to components that we obtain from a single or a limited number of suppliers;

the impact of changes in foreign currency exchange rates on the cost of producing our products and the effective price of our products to foreign consumers; and

operational issues arising out of the increasingly automated nature of our manufacturing processes.

New Product Offerings Market acceptance of new product introductions cannot be accurately predicted, and our results of operations will suffer if there is less demand for our new products than is anticipated.

We are continually developing new products with the goal that we will be able to introduce technologically advanced and lower cost disk drives into the marketplace ahead of our competitors.

The success of our new product introductions is dependent on a number of factors, including market acceptance, our ability to manage the risks associated with product transitions, the effective management of inventory levels in line with anticipated product demand and the risk that our new products will have quality problems or other defects in the early stages of introduction that were not anticipated in the design of those products. Accordingly, we cannot accurately determine the ultimate effect that our new products will have on our results of operations.

In addition, the success of our new product introductions is dependent upon our ability to qualify as a primary source of supply with our OEM customers. In order for our products to be considered by our customers for qualification, we must be among the leaders in time-to-market with those new products. Once a product is accepted for qualification testing, any failure or delay in the qualification process or a requirement that we requalify can result in our losing sales to that customer until new products are introduced. The limited number of high-volume OEMs magnifies the effect of missing a product qualification opportunity. These risks are further magnified because we expect competitive pressures to result in declining sales, eroding prices, and declining gross margins on our current generation products. We cannot assure that we will be among the leaders in time-to-market with new products or that we will be able to successfully qualify new products with our customers in the future.

If we cannot successfully deliver competitive products, our future results of operations may be adversely affected.

Smaller Form Factor Products If we do not continue to successfully market smaller form factor products, our business may suffer.

The disk drive industry is experiencing significant increases in sales of smaller form factor disk drives or other electronic data storage technologies for an expanding number of applications, in particular notebook computers and consumer electronic devices, but also in personal computers and enterprise storage applications. Our future success will depend on our ability to develop and introduce smaller form factor products at desired price and capacity points faster than our competitors.

We have experienced competition from other companies that produce alternative storage technologies like solid state or flash memory, where increased capacity, improving cost, energy efficiency and

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performance ruggedness have resulted in flash memory largely replacing disk drives in handheld applications. We believe that the demand for disk drives to store or back up related media content from such handheld devices, however, continues to grow. While this competition has traditionally been limited to the markets for handheld consumer electronics applications, these competitors have announced SSDs for tablet, notebook and enterprise compute applications.

If we do not suitably adapt our product offerings to successfully introduce additional smaller form factor disk drives or alternative storage products based on flash storage technology, or if our competitors are successful in achieving customer acceptance of SSD products for tablet, notebook and enterprise compute applications, then our customers may decrease the amounts of our products that they purchase, which would adversely affect our results of operations.

Dependence on Supply of Components, Equipment and Raw Materials If we experience shortages or delays in the receipt of, or cost increases in, critical components, equipment or raw materials necessary to manufacture our products, we may suffer lower operating margins, production delays and other material adverse effects.

The cost, quality and supply of components, certain equipment and raw materials used to manufacture disk drives and key components like recording media and heads are critical to our success. The equipment we use to manufacture our products and components is frequently custom made and comes from a few suppliers and the lead times required to obtain manufacturing equipment can be significant. Particularly important components for disk drives include read/write heads, aluminum or glass substrates for recording media, ASICs, spindle motors, printed circuit boards, and suspension assemblies. We rely on sole suppliers or a limited number of suppliers for some of these components that we do not manufacture, including aluminum and glass substrates, read/write heads, ASICs, spindle motors, printed circuit boards, and suspension assemblies. Many of such component suppliers are geographically concentrated, in particular, in Thailand, which makes our supply chain more vulnerable to regional disruptions such as the recent flooding in Thailand, which has had a material impact on the production and availability of many components. If our vendors for these components are unable to meet our cost, quality, and supply requirements, we could experience a shortage in supply or an increase in production costs, which would adversely affect our results of operations.

Certain rare earth elements are critical in the manufacture of our products. We purchase components that contain rare earth elements from a number of countries, including the People's Republic of China. We cannot predict whether any nation will impose regulations, quotas or embargoes upon the rare earth elements incorporated into our products that would restrict the worldwide supply of such metals or increase their cost. We have experienced increased costs and production delays when we were unable to obtain the necessary equipment or sufficient quantities of some components, and/or have been forced to pay higher prices or make volume purchase commitments or advance deposits for some components, equipment or raw materials that were in short supply in the industry in general. If any major supplier were to restrict the supply available to us or increase the cost of the rare earth elements used in our products, we could experience a shortage in supply or an increase in production costs, which would adversely affect our results of operations.

Consolidation among component manufacturers may result in some component manufacturers exiting the industry or not making sufficient investments in research to develop new components.

If there is a shortage of, or delay in supplying us with, critical components, equipment or raw materials, then:

- it is likely that our suppliers would raise their prices and, if we could not pass these price increases to our customers, our operating margin would decline;

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- we might have to reengineer some products, which would likely cause production and shipment delays, make the reengineered products more costly and provide us with a lower rate of return on these products;

- we would likely have to allocate the components we receive to certain of our products and ship less of others, which could reduce our revenues and could cause us to lose sales to customers who could purchase more of their required products from manufacturers that either did not experience these shortages or delays or that made different allocations; and

- we might be late in shipping products, causing potential customers to make purchases from our competitors, thus causing our revenue and operating margin to decline.

We cannot assure you that we will be able to obtain critical components in a timely and economic manner.

Importance of Time-to-Maturity Our results of operations may depend on our being among the first-to-maturity with new product offerings and achieving sufficient production volume with our new products.

To achieve consistent success with our OEM customers, it is important that we be an early provider of new types of disk drives featuring leading, high-quality technology and lower per gigabyte storage cost. Historically, our results of operations have substantially depended upon our ability to be among the first-to-maturity with new product offerings. Our market share and results of operations in the future may be adversely affected if we fail to:

- consistently maintain our time-to-maturity performance with our new products;

- produce these products in sufficient volume;

- qualify these products with key customers on a timely basis by meeting our customers' performance and quality specifications; or

- achieve acceptable manufacturing yields, quality and costs with these products.

If the delivery of our products is delayed, our OEM customers may use our competitors' products to meet their production requirements. If the delay of our products causes delivery of those OEMs' computer systems into which our products are integrated to be delayed, consumers and businesses may purchase comparable products from the OEMs' competitors.

We face the related risk that consumers and businesses may wait to make their purchases if they want to buy a new product that has been shipped or announced but not yet released. If this were to occur, we may be unable to sell our existing inventory of products that may be less efficient and cost effective compared to new products. As a result, even if we are among the first-to-maturity with a given product, subsequent introductions or announcements by our competitors of new products could cause us to lose revenue and not achieve a positive return on our investment in existing products and inventory.

Industry Demand Poor global economic conditions and changes in demand for computer systems and storage subsystems may cause in the future a decline in demand for our products.

Our disk drives are components in computers, computer systems, storage subsystems and consumer electronics devices. The demand for these products has been volatile. During times of poor global economic conditions, consumer spending tends to decline and retail demand for personal computers and consumer electronics devices tends to decrease, as does enterprise demand for computer systems and storage subsystems. Moreover, unexpected slowdowns in demand for computer systems, storage subsystems or consumer electronics devices generally cause sharp declines in demand for disk drive products. The decline in consumer spending could have a material adverse effect on demand for our products and services and on our financial condition and results of operations.

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Additional causes of declines in demand for our products in the past have included announcements or introductions of major new operating systems or semiconductor improvements or changes in consumer preferences, such as the shift to mobile devices. We believe these announcements and introductions have from time to time caused consumers to defer their purchases and made inventory obsolete. Whenever an oversupply of disk drives causes participants in our industry to have higher than anticipated inventory levels, we experience even more intense price competition from other disk drive manufacturers than usual.

Dependence on Distributors We are dependent on sales to distributors and retailers, which may increase price erosion and the volatility of our sales.

A substantial portion of our sales has been to distributors of disk drive products. Certain of our distributors may also market other products that compete with our products. Product qualification programs in this distribution channel are limited, which increases the number of competing products that are available to satisfy demand, particularly in times of lengthening product cycles. As a result, purchasing decisions in this channel are based largely on price, terms and product availability. Sales volumes through this channel are also less predictable and subject to greater volatility than sales to our OEM customers. In addition, deterioration in business and economic conditions could exacerbate price erosion and volatility as distributors lower prices to compensate for lower demand and higher inventory levels. Our distributors' ability to access credit for purposes of funding their operations may also affect purchases of our products by these customers.

If distributors reduce their purchases of our products or prices decline significantly in the distribution channel or if distributors experience financial difficulties or terminate their relationships with us, our revenues and results of operations would be adversely affected.

Dependence on Key Customers We may be adversely affected by the loss of, or reduced, delayed or cancelled purchases by, one or more of our larger customers.

Some of our key customers account for a large portion of our disk drive revenue. While we have longstanding relationships with many of our customers, if any of our key customers were to significantly reduce their purchases from us, our results of operations would be adversely affected. While sales to major customers may vary from period to period, a major customer that permanently discontinues or significantly reduces its relationship with us could be difficult to replace. In line with industry practice, new customers usually require that we pass a lengthy and rigorous qualification process at the customer's cost. Accordingly, it may be difficult or costly for us to attract new major customers. Additionally, mergers, acquisitions, consolidations or other significant transactions involving our customers generally entail risks to our business. If a significant transaction involving any of our key customers results in the loss of or reduction in purchases by these key customers, it could have a materially adverse effect on our business, results of operations, financial condition and prospects.

Dependence on Sales of Disk Drives in Client Non-Compute Applications Our sales of disk drives for client non-compute applications, which have contributed significant revenues to our results, can experience significant volatility due to seasonal and other factors, which could materially adversely impact our future results of operations.

Sales of disk drives for client non-compute applications have contributed significant revenues to our results. Consumer spending on client non-compute has, and may continue to, deteriorate in many countries and regions, due to poor global economic conditions and high levels of unemployment. This could have a material adverse effect on demand for our products and services and on our financial condition and results of operations.

In addition, the demand for client non-compute products can be even more volatile and unpredictable than the demand for client compute products. In some cases, our products manufactured for client non-compute applications are uniquely configured for a single customer's application, which creates a risk

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of unwanted and unsellable inventory if the anticipated volumes are not realized. This potential for unpredictable volatility is increased by the possibility of competing alternative storage technologies like flash memory meeting the customers' cost and capacity metrics, resulting in a rapid shift in demand from our products and disk drive technology, generally, to alternative storage technologies. Unpredictable fluctuations in demand for our products or rapid shifts in demand from our products to alternative storage technologies in new client non-compute applications could materially adversely impact our future results of operations.

Dependence on Sales of Disk Drives Directly to Consumers Through Retail Outlets Our sales of disk drives directly to consumers through retail outlets can experience significant volatility due to seasonal and other factors, which could materially adversely impact our future results of operations.

We believe that industry demand for storage products in the long-term is increasing due to the proliferation of media-rich digital content in consumer applications and is fueling increased consumer demand for storage. This has led to the expansion of solutions such as external storage products to provide additional storage capacity and to secure data in case of disaster or system failure, or to provide independent storage solutions for multiple users in home or small business environments. Consumer spending on retail sales of our branded solutions has deteriorated in some markets and may continue to do so if poor global economic conditions continue and higher levels of unemployment persist. This could have a material adverse effect on demand for our products and services and on our financial condition and results of operations.

In addition, such retail sales of our branded solutions traditionally experience seasonal variability in demand with higher levels of demand in the first half of our fiscal year driven by consumer spending in the back-to-school season from late summer to fall and the traditional holiday shopping season from fall to winter. Additionally, our ability to reach such consumers depends on our maintaining effective working relationships with major retailers and distributors. Failure to anticipate consumer demand for our branded solutions as well as an inability to maintain effective working relationships with retail and online distributors may adversely impact our future results of operations.

Importance of Controlling Operating Costs If we do not control our operating expenses, we will not be able to compete effectively in our industry.

Our strategy involves, to a substantial degree, increasing revenue and product volume while at the same time controlling operating expenses. If we do not control our operating expenses, our ability to compete in the marketplace may be impaired. In the past, activities to reduce operating costs have included closures and transfers of facilities, significant personnel reductions and efforts to increase automation. The reduction of personnel and closure of facilities may adversely affect our ability to manufacture our products in required volumes to meet customer demand and may result in other disruptions that affect our products and customer service.

Impairment Charges We may be required to record impairment charges for goodwill and/or other long-lived assets.

We are required to assess goodwill annually for impairment, or on an interim basis whenever events occur or circumstances change, such as an adverse change in business climate or a decline in the overall industry, that would more likely than not reduce the fair value of a reporting unit below its carrying amount. We are also required to test other long-lived assets, including acquired intangible assets and property, equipment and leasehold improvements, for recoverability and impairment whenever there are indicators of impairment, such as an adverse change in business climate.

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Adverse changes in business conditions could materially impact our estimates of future operations and result in impairment charges to our goodwill or other long lived assets. If our goodwill or other long-lived assets were to become impaired, our results of operations could be materially and adversely affected.

Impact of Technological Change Increases in the areal density of disk drives may outpace customers' demand for storage capacity.

The rate of increase in areal density, or storage capacity per square inch on a disk, may be greater than the increase in our customers' demand for aggregate storage capacity, particularly in certain market applications like client compute. As a result, our customers' storage capacity needs may be satisfied with lower priced, low capacity disk drives. These factors could decrease our sales, especially when combined with continued price erosion, which could adversely affect our results of operations.

Changes in Electronic Data Storage Products Future changes in the nature of electronic data storage products may reduce demand for traditional disk drive products.

We expect that in the future, new personal computing devices and products will be developed, some of which, such as Internet appliances, tablet or mobile phones with advanced capabilities, or smartphones, may not contain a disk drive. While we are investing development resources in designing disk drives for these new applications, these new applications may have an impact on future demand for disk drive products. Products using alternative technologies, such as flash memory and other storage technologies, are becoming increasingly common and could become a significant source of competition to particular applications of our products, which could adversely affect our results of operations.

New Product Development and Technological Change If we do not develop products in time to keep pace with technological changes, our results of operations will be adversely affected.

Our customers have demanded new generations of disk drive products as advances in computer hardware and software have created the need for improved storage products, with features such as increased storage capacity, improved performance and reliability and lower cost. We, and our competitors, have developed improved products, and we will need to continue to do so in the future. Such product development requires significant investments in research and development. We cannot assure you that we will be able to successfully complete the design or introduction of new products in a timely manner, that we will be able to manufacture new products in sufficient volumes with acceptable manufacturing yields, that we will be able to successfully market these new products or that these products will perform to specifications on a long-term basis. In addition, the impact of slowing areal density growth may adversely impact our ability to be successful.

When we develop new products with higher capacity and more advanced technology, our results of operations may decline because the increased difficulty and complexity associated with producing these products increases the likelihood of reliability, quality or operability problems. If our products suffer increases in failures, are of low quality or are not reliable, customers may reduce their purchases of our products and our manufacturing rework and scrap costs and service and warranty costs may increase. In addition, a decline in the reliability of our products may make us less competitive as compared with other disk drive manufacturers or competing technologies.

Substantial Leverage Our substantial leverage may place us at a competitive disadvantage in our industry.

We are leveraged and have significant debt service obligations. Our significant debt and debt service requirements could adversely affect our ability to operate our business and may limit our ability to take

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advantage of potential business opportunities. For example, our high level of debt presents the following risks:

- we are required to use a substantial portion of our cash flow from operations to pay principal and interest on our debt, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, product development efforts, strategic acquisitions, investments and alliances, and other general corporate requirements;

- our substantial leverage increases our vulnerability to economic downturns and adverse competitive and industry conditions and could place us at a competitive disadvantage compared to those of our competitors that are less leveraged;

- our debt service obligations could limit our flexibility in planning for, or reacting to, changes in our business and our industry and could limit our ability to pursue other business opportunities, borrow more money for operations or capital in the future and implement our business strategies;

- our level of debt may restrict us from raising additional financing on satisfactory terms to fund working capital, capital expenditures, product development efforts, strategic acquisitions, investments and alliances, and other general corporate requirements; and

- covenants in our debt instruments limit our ability to pay future dividends or make other restricted payments and investments.

In the event that we need to refinance all or a portion of our outstanding debt as it matures, we may not be able to obtain terms as favorable as the terms of our existing debt or refinance our existing debt at all. If prevailing interest rates or other factors existing at the time of refinancing result in higher interest rates upon refinancing, then the interest expense relating to the refinanced debt would increase. Furthermore, if any rating agency changes our credit rating or outlook, our debt and equity securities could be negatively affected, which could adversely affect our ability to refinance existing debt or raise additional capital.

Significant Debt Service Requirements Servicing our debt requires a significant amount of cash and our ability to generate cash may be affected by factors beyond our control.

Our business may not generate cash flow in an amount sufficient to enable us to pay the principal of, or interest on, our indebtedness or to fund our other liquidity needs, including working capital, capital expenditures, product development efforts, strategic acquisitions, investments and alliances and other general corporate requirements.

Our ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We cannot assure you that:

- our business will generate sufficient cash flow from operations;

- we will continue to realize the cost savings, revenue growth and operating improvements that result from the execution of our long-term strategic plan; or

- future sources of funding will be available to us in amounts sufficient to enable us to fund our liquidity needs.

If we cannot fund our liquidity needs, we will have to take actions such as reducing or delaying capital expenditures; product development efforts, strategic acquisitions, investments and alliances, and other general corporate requirements. We cannot assure you that any of these remedies could, if necessary, be effected on commercially reasonable terms, or at all, or that they would permit us to meet our scheduled debt service obligations. In addition if we incur additional debt, the risks associated with our substantial leverage, including the risk that we will be unable to service our debt or generate enough cash flow to fund our liquidity needs, could intensify.

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Failure to Pay Quarterly Dividends Our failure to pay quarterly dividends to our shareholders could cause the market price of our ordinary shares to decline significantly.

Our ability to pay quarterly dividends will be subject to, among other things, our financial position and results of operations, available cash and cash flow, capital requirements, and other factors. Any reduction or discontinuation of quarterly dividends could cause the market price of our ordinary shares to decline significantly. Moreover, in the event our payment of quarterly dividends is reduced or discontinued, our failure or inability to resume paying dividends at historical levels could result in a persistently low market valuation of our ordinary shares.

Purchase Commitments to Certain Suppliers If revenues fall or customer demand decreases significantly, we may not meet all of our purchase commitments to certain suppliers.

From time to time, we enter into long-term, non-cancelable purchase commitments with certain suppliers in order to secure certain components for the production of our products or to supplement our internal manufacturing capacity for certain components. If our actual revenues in the future are lower than our projections or if customer demand decreases significantly below our projections, we may not meet all of our purchase commitments with these suppliers. As a result, it is possible that we will have to shift output from our internal manufacturing facilities to these suppliers or make penalty-type payments under these contracts.

Risks Associated with Future Strategic Alliances, Joint Ventures or Investments We may not be able to identify suitable strategic alliances, acquisitions, joint ventures or investment opportunities, or successfully acquire and integrate companies that provide complementary products or technologies.

Our growth strategy may involve pursuing strategic alliances with, making acquisitions of, forming joint ventures with or making investments in other companies that are complementary to our business. There is substantial competition for attractive strategic alliance, acquisition, joint venture and investment candidates. Accordingly, we may not be able to identify suitable strategic alliances, acquisition, joint venture, or investment candidates. Even if we can identify them, we cannot assure you that we will be able to partner with, acquire or invest in suitable candidates, or integrate acquired technologies or operations successfully into our existing technologies and operations. Moreover, our ability to finance potential strategic alliances, acquisitions, joint ventures or investments will be limited by our high degree of leverage, the covenants contained in the indentures that govern our outstanding indebtedness, and any agreements governing any other debt we may incur.

If we are successful in forming strategic alliances or acquiring, forming joint ventures or making investments in other companies, any of these transactions may have an adverse effect on our results of operations, particularly while the operations of an acquired business are being integrated. It is also likely that integration of acquired companies would lead to the loss of key employees from those companies or the loss of customers of those companies. In addition, the integration of any acquired companies would require substantial attention from our senior management, which may limit the amount of time available to be devoted to our day-to-day operations or to the execution of our strategy. Growth by strategic alliance, acquisition, joint venture or investment involves an even higher degree of risk to the extent we combine new product offerings and enter new markets in which we have limited experience, and no assurance can be given that acquisitions of entities with new or alternative business models will be successfully integrated or achieve their stated objectives.

Furthermore, the expansion of our business involves the risk that we might not manage our growth effectively, that we would incur additional debt to finance these acquisitions or investments, that we may have impairment of goodwill or acquired intangible assets associated with these acquisitions and that we would incur substantial charges relating to the write-off of in-process research and development, similar to

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that which we incurred in connection with several of our prior acquisitions. Each of these items could have a material adverse effect on our financial condition and results of operations.

In addition, we could issue additional ordinary shares in connection with future strategic alliances, acquisitions, joint ventures or investments. Issuing shares in connection with such transactions would have the effect of diluting your ownership percentage of the ordinary shares and could cause the price of our ordinary shares to decline.

Risk of Intellectual Property Litigation We are at times subject to intellectual property legal proceedings and claims which could which could cause us to incur significant additional costs or prevent us from selling our products, and which could adversely affect our results of operations and financial condition.

We are subject from time-to-time to legal proceedings and claims, including claims of alleged infringement of the patents, trademarks and other intellectual property rights of third parties by us, or our customers, in connection with their use of our products. Intellectual property litigation can be expensive and time-consuming, regardless of the merits of any claim, and could divert our management's attention from operating our business. In addition, intellectual property lawsuits are subject to inherent uncertainties due to the complexity of the technical issues involved, which may cause actual results to differ materially from our expectations. Patent litigation has increased due to the current uncertainty of the law and the increasing competition and overlap of product functionality in the field. Some of the actions that we face from time-to-time seek injunctions against the sale of our products and/or substantial monetary damages, which if granted or awarded, could materially harm our business, financial condition and operating results.

We cannot be certain that our products do not and will not infringe issued patents or other intellectual property rights of others. We may not be aware of currently filed patent applications that relate to our products or technology. If patents are later issued on these applications, we may be liable for infringement. If our products were found to infringe the intellectual property rights of others, we could be required to pay substantial damages, cease the manufacture, use and sale of infringing products in one or more geographic locations, expend significant resources to develop non-infringing technology, discontinue the use of specific processes or obtain licenses to the technology infringed. We might not be able to obtain the necessary licenses on acceptable terms, or at all, or be able to reengineer our products successfully to avoid infringement. Any of the foregoing could cause us to incur significant costs and prevent us from selling our products, which could adversely affect our results of operations and financial condition. See Part II, "Item 8. Financial Statements and Supplementary Data Note 14, Legal, Environmental and Other Contingencies" of this Annual Report on Form 10-K for a description of pending intellectual property proceedings.

Protection of our Intellectual Property We may be unable to protect our intellectual property rights, which could adversely affect our business, financial condition and results of operations.

We rely on a combination of patent, trademark, copyright and trade secret laws, confidentiality procedures and licensing arrangements to protect our IP rights. In the past, we have been involved in significant and expensive disputes regarding our IP rights and those of others, including claims that we may be infringing patents, trademarks and other IP rights of third-parties. We expect that we will be involved in similar disputes in the future.

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There can be no assurance that:

- any of our existing patents will continue to be held valid, if challenged;
- patents will be issued for any of our pending applications;
- any claims allowed from existing or pending patents will have sufficient scope or strength to protect us; or
- our patents will be issued in the primary countries where our products are sold in order to protect our rights and potential commercial advantage.

In addition, our competitors may be able to design their products around our patents and other proprietary rights. Enforcement of our rights often requires litigation. If we bring a patent infringement action and are not successful, our competitors would be able to use similar technology to compete with us. Moreover, the defendant in such an action may successfully countersue us for infringement of their patents or assert a counterclaim that our patents are invalid or unenforceable.

Cyber Attacks, System Failures and Breaches We could suffer a loss of revenue and increased costs, exposure to significant liability, reputational harm, and other serious negative consequences if we sustain cyber attacks or other data security breaches that disrupt our operations or result in the dissemination of proprietary or confidential information about us or our customers or other third-parties.

Our operations are dependent upon our ability to protect our computer equipment and the electronic data stored in our databases from damage by, among other things, earthquake, fire, natural disasters, accidents, power disruptions, telecommunications failures, acts of terrorism or war, employee misconduct, physical or electronic break-ins, or similar events or disruptions. We manage and store various proprietary information and sensitive or confidential data relating to our operations. In addition, our outsourcing services and cloud computing businesses routinely process, store, and transmit large amounts of data for our customers and vendors, including sensitive and personally identifiable information. As our operations become more automated and increasingly interdependent, our exposure to the risks posed by these types of events will increase. We may also be subject to breaches of the information technology systems we use for these purposes, information technology system failures and network disruptions. Experienced computer programmers and hackers may be able to penetrate our network security and misappropriate or compromise our confidential information or that of third-parties, create system disruptions, or cause shutdowns. Computer programmers and hackers also may be able to develop and deploy viruses, worms, and other malicious software programs that attack our products or otherwise exploit any security vulnerabilities of our products. In addition, sophisticated hardware and operating system software and applications that we produce or procure from third-parties may contain defects in design or manufacture, including "bugs" and other problems that could unexpectedly interfere with the operation of the system.

The costs to us to eliminate or address the foregoing security problems and security vulnerabilities before or after a cyber incident could be significant. System redundancy may be ineffective or inadequate, and our disaster recovery planning may not be sufficient for all eventualities. Our remediation efforts may not be successful and could result in interruptions, delays, or cessation of service, and loss of existing or potential customers that may impede our sales, manufacturing, distribution, or other critical functions. We could lose existing or potential customers for outsourcing services or other information technology solutions in connection with any actual or perceived security vulnerabilities in our products. In addition, breaches of our security measures and the unapproved dissemination of proprietary information or sensitive or confidential data about us or our customers or other third-parties, could expose us, our vendors and customers, or other third-parties affected to a risk of loss or misuse of this information, result in litigation and potential liability for us, damage our brand and reputation, or otherwise harm our business. In addition, we rely in certain limited capacities on third-party data management providers whose possible security problems and security vulnerabilities may have similar effects on us.

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We are subject to laws, rules, and regulations in the U.S. and other countries relating to the collection, use, and security of user data. Our ability to execute transactions and to possess and use personal information and data in conducting our business subjects us to legislative and regulatory burdens that may require us to notify vendors, customers or employees of a data security breach. We have incurred, and will continue to incur, significant expenses to comply with mandatory privacy and security standards and protocols imposed by law, regulation, industry standards, or contractual obligations.

Economic Risks Associated with International Operations Our international operations subject us to risks related to currency exchange fluctuations, longer payment cycles for sales in foreign countries, seasonality and disruptions in foreign markets, tariffs and duties, price controls, potential adverse tax consequences, increased costs, our customers' credit and access to capital and health-related risks.

We have significant operations in foreign countries, including manufacturing facilities, sales personnel and customer support operations. We have manufacturing facilities in China, Malaysia, Northern Ireland, Singapore and Thailand, in addition to those in the United States. A substantial portion of our client compute disk drive assembly occurs in our facility in China.

Our international operations are subject to economic risks inherent in doing business in foreign countries, including the following:

Disruptions in Foreign Markets. Disruptions in financial markets and the deterioration of the underlying economic conditions in the past in some countries, including those in Asia, have had an impact on our sales to customers located in, or whose end-user customers are located in, these countries.

Fluctuations in Currency Exchange Rates. Prices for our products are denominated predominately in U.S. dollars, even when sold to customers that are located outside the United States. Currency instability in Asia and other geographic markets may make our products more expensive than products sold by other manufacturers that are priced in the local currency. Moreover, many of the costs associated with our operations located outside the United States are denominated in local currencies. As a consequence, the increased strength of local currencies against the U.S. dollar in countries where we have foreign operations would result in higher effective operating costs and, potentially, reduced earnings. From time to time, fluctuations in foreign exchange rates have negatively affected our operations and profitability and there can be no assurance that these fluctuations will not adversely affect our operations and profitability in the future. We may attempt to manage the impact of foreign currency exchange rate changes by, among other things, entering into foreign currency forward exchange contracts. However, these contracts may not cover our full exposure and subject us to certain counterparty credit risks. See "Item 7A. Quantitative and Qualitative Disclosures About Market Risk Foreign Currency Exchange Risk" of this Annual Report on Form 10-K additional information about our foreign currency exchange risk.

Longer Payment Cycles. Our customers outside of the United States are often allowed longer time periods for payment than our U.S. customers. This increases the risk of nonpayment due to the possibility that the financial condition of particular customers may worsen during the course of the payment period.

Seasonality. Seasonal reductions in the business activities of our customers during the summer months, particularly in Europe, typically result in lower earnings during those periods.

Tariffs, Duties, Limitations on Trade and Price Controls. Our international operations are affected by limitations on imports, currency exchange control regulations, transfer pricing regulations, price controls and other restraints on trade. In addition, the governments of many countries, including China, Malaysia, Northern Ireland, Singapore and Thailand, in which we have significant operating

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assets, have exercised and continue to exercise significant influence over many aspects of their domestic economies and international trade.

Potential Adverse Tax Consequences. Our international operations create a risk of potential adverse tax consequences, including imposition of withholding or other taxes on payments by subsidiaries.

Increased Costs. The shipping and transportation costs associated with our international operations are typically higher than those associated with our U.S. operations, resulting in decreased operating margins in some foreign countries.

Credit and Access to Capital Risks. Our international customers could have reduced access to working capital due to higher interest rates, reduced bank lending resulting from contractions in the money supply or the deterioration in the customer's or its bank's financial condition, or the inability to access other financing.

Global Health Outbreaks. The occurrence of a pandemic disease may adversely impact our operations, and some of our key customers. Such diseases could also potentially disrupt the timeliness and reliability of the distribution network we rely on.

Political Risks Associated with International Operations Our international operations subject us to risks related to economic conditions, political unrest and terrorism.

We have manufacturing facilities in parts of the world that periodically experience political unrest. This could disrupt our ability to manufacture important components as well as cause interruptions and/or delays in our ability to ship components to other locations for continued manufacture and assembly. Any such delays or interruptions could result in delays in our ability to fill orders and have an adverse effect on our results of operations and financial condition. U.S. and international responses to the ongoing hostilities in various regions and the risk of terrorist attacks or hostilities elsewhere in the world could exacerbate these risks.

Macroeconomic developments like the debt crisis in certain countries in the European Union and slowing economies in parts of Asia and South America could negatively affect our business, operating results or financial condition which, in turn, could adversely affect our stock price. A general weakening of, and related declining corporate confidence in, the global economy or the curtailment in government or corporate spending could cause current or potential customers to reduce their information technology (IT) budgets or be unable to fund hardware systems, which could cause customers to delay, decrease or cancel purchases of our products or cause customers not to pay us or to delay paying us for previously purchased products and services.

In addition, political unrest in regions like the Middle East, terrorist attacks around the globe and the potential for other hostilities in various parts of the world, potential public health crises and natural disasters continue to contribute to a climate of economic and political uncertainty that could adversely affect our results of operations and financial condition, including our revenue growth and profitability. These factors generally have the strongest effect on our sales.

Legal and Operational Risks Associated with International Operations Our international operations subject us to risks related to staffing and management, legal and regulatory requirements and the protection of intellectual property.

Operating outside of the United States creates difficulties associated with staffing and managing our international manufacturing facilities, complying with local legal and regulatory requirements and protecting our intellectual property. We cannot assure you that we will continue to be found to be operating in compliance with applicable customs, currency exchange control regulations, transfer pricing regulations or any other laws or regulations to which we may be subject. We also cannot assure you that these laws will not be modified.

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Dependence on Key Personnel The loss of key executive officers and employees could negatively impact our business prospects.

Our future performance depends to a significant degree upon the continued service of key members of management as well as marketing, sales and product development personnel. The loss of one or more of our key personnel may have a material adverse effect on our business, results of operations and financial condition. We believe our future success will also depend in large part upon our ability to attract, retain and further motivate highly skilled management, marketing, sales and product development personnel. We have experienced intense competition for personnel, and we cannot assure you that we will be able to retain our key employees or that we will be successful in attracting, assimilating and retaining personnel in the future.

Securities Litigation Significant fluctuations in the market price of our ordinary shares could result in securities class action claims against us.

Significant price and value fluctuations have occurred with respect to the publicly traded securities of disk drive companies and technology companies generally. The price of our ordinary shares is likely to be volatile in the future. In the past, following periods of decline in the market price of a company's securities, class action lawsuits have often been pursued against that company. If similar litigation were pursued against us, it could result in substantial costs and a diversion of management's attention and resources, which could materially adversely affect our results of operations, financial condition and liquidity.

Global Credit and Financial Market Conditions Deterioration in global credit and financial market conditions could negatively impact the value of our current portfolio of cash equivalents or short-term investments and our ability to meet our financing objectives.

Our cash and cash equivalents are maintained in highly liquid investments with remaining maturities of 90 days or less at the time of purchase. Our short-term investments consist primarily of readily marketable debt securities with remaining maturities of more than 90 days at the time of purchase. Our investment policy has as its principal objectives the preservation of principal and maintenance of liquidity. We mitigate default risk by investing in high-quality investment grade securities, limiting the time to maturity and by monitoring the counter-parties and underlying obligors closely.

While as of the date of this filing, we are not aware of any other material downgrades, losses, or other significant deterioration in the fair value of our cash equivalents or short-term investments , no assurance can be given that further deterioration in conditions of the global credit and financial markets would not negatively impact our current portfolio of cash equivalents or short-term investments or our ability to meet our financing objectives.

Environmental Regulations Failure to comply with applicable environmental laws and regulations could have a material adverse effect on our business, results of operations and financial condition.

The sale and manufacturing of products in certain states and countries may subject us and our suppliers to state, federal and international laws and regulations governing protection of the environment, including those governing discharges of pollutants into the air and water, the management and disposal of hazardous substances and wastes, the cleanup of contaminated sites, restrictions on the presence of certain substances in electronic products and the responsibility for environmentally safe disposal or recycling. We endeavor to ensure that we and our suppliers comply with all applicable environmental laws and regulations, however, compliance may increase our operating costs and otherwise impact future financial results. If additional or more stringent requirements are imposed on us in the future, we could incur additional operating costs and capital expenditures. If we fail to comply with applicable environmental laws, regulations, initiatives, or standards of conduct, our customers may refuse to purchase our products and we could be subject to fines, penalties and possible prohibition of sales of our products into one or

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more states or countries, liability to our customers and damage to our reputation, which could result in a material adverse effect on the financial condition or results of operations.

New conflict minerals regulations may cause us to incur additional expenses and could limit the supply and increase the cost of certain metals used in manufacturing our products.

In August 2012, the SEC adopted new rules establishing additional disclosure and reporting requirements regarding the use of specified minerals, or conflict minerals, that are necessary to the functionality or production of products manufactured or contracted to be manufactured. These new rules will require us to determine, disclose and report whether or not such conflict minerals originate from the Democratic Republic of the Congo or an adjoining country, the first such report being due on May 31, 2014. These new rules could affect our ability to source certain materials used in our products at competitive prices and could impact the availability of certain minerals used in the manufacture of our products, including gold, tantalum, tin and tungsten. As there may be only a limited number of suppliers of "conflict free" minerals, we cannot be sure that we will be able to obtain necessary conflict free minerals in sufficient quantities or at competitive prices. Our customers, including our OEM customers, may require that our products be free of conflict minerals, and our revenues and margins may be harmed if we are unable to procure conflict free minerals at a reasonable price, or at all, or are unable to pass through any increased costs associated with meeting these demands. Additionally, we may face reputational challenges with our customers and other stakeholders if we are unable to sufficiently verify the origins of all minerals used in our products through the due diligence procedures that we implement. We may also face challenges with government regulators and our customers and suppliers if we are unable to sufficiently verify that the metals used in our products are conflict free. We expect that there may be material costs associated with complying with the disclosure requirements, such as costs related to determining the source of certain minerals used in our products, as well as costs related to possible changes to products, processes, or sources of supply as a consequence of such verification and disclosure requirements.

Seasonality Because we experience seasonality in the sales of our products, our results of operations will generally be adversely impacted during the second half of our fiscal year.

Sales of computer systems, storage subsystems and consumer electronics tend to be seasonal, and therefore we expect to continue to experience seasonality in our business as we respond to variations in our customers' demand for disk drives. In particular, we anticipate that sales of our products will continue to be lower during the second half of our fiscal year. In the client compute and client non-compute market applications of our business, this seasonality is partially attributable to the historical trend in our results derived from our customers' increased sales of desktop computers, notebook computers, and consumer electronics during the back-to-school and winter holiday season. In the enterprise market our sales are seasonal because of the capital budgeting and purchasing cycles of our end users. Since our working capital needs peak during periods in which we are increasing production in anticipation of orders that have not yet been received, our results of operations will fluctuate seasonally even if the forecasted demand for our products proves accurate. Furthermore, it is difficult for us to evaluate the degree to which this seasonality may affect our business in future periods because of the rate and unpredictability of product transitions and new product introductions, particularly in the client non-compute market, as well as macroeconomic conditions.

Volatile Public Markets The price of our ordinary shares may be volatile and could decline significantly.

The stock market, in general, and the market for technology stocks in particular, has recently experienced volatility that has often been unrelated to the operating performance of companies. If these market or industry-based fluctuations continue, the trading price of our ordinary shares could decline significantly independent of our actual operating performance, and you could lose all or a substantial part

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of your investment. The market price of our ordinary shares could fluctuate significantly in response to several factors, including among others:

- general uncertainty in stock market conditions occasioned by global economic conditions, negative financial news and the continued instability of several large financial institutions;
- actual or anticipated variations in our results of operations;
- announcements of innovations, new products or significant price reductions by us or our competitors, including those competitors who offer alternative storage technology solutions;
- our failure to meet the performance estimates of investment research analysts;
- the timing of announcements by us or our competitors of significant contracts or acquisitions;
- general stock market conditions;
- the occurrence of major catastrophic events;
- changes in financial estimates by investment research analysts;
- changes in the credit ratings of our indebtedness by rating agencies; and
- the sale of our ordinary shares held by certain equity investors or members of management.

Political events, war, terrorism, natural disasters, public health issues and other circumstances could materially adversely affect our results of operations and financial condition.

War, terrorism, geopolitical uncertainties, natural disasters, public health issues, and other business interruptions have caused and could cause damage or disruption to international commerce and the global economy, and thus could have a strong negative effect on our business, our suppliers, logistics providers, manufacturing vendors and customers. Our business operations are subject to interruption by natural disasters such as floods and earthquakes, fire, power shortages, terrorist attacks, other hostile acts, labor disputes, public health issues, and other events beyond our control. Such events could decrease demand for our products, make it difficult or impossible for us to make and deliver products to our customers, or to receive components from our suppliers, and create delays and inefficiencies in our supply chain. In the event of a natural disaster, losses and significant recovery time could be required to resume operations and our financial condition and operating results could be materially adversely affected. Should major public health issues, including pandemics, arise, we could be negatively affected by stringent employee travel restrictions, additional limitations in freight services, governmental actions limiting the movement of products between regions, delays in production ramps of new products, and disruptions in our operations and some of our key customers.

If we do not realize the expected benefits of our Strategic Alignment with Samsung, our business and financial condition may be materially impaired.

We may not achieve the desired benefits from our strategic alignment with Samsung. Even if we are able to successfully integrate the business that we acquired from Samsung into our business, we may not be able to realize the cost savings, synergies and growth that we anticipate from this transaction in the timeframe we currently expect, and the costs of achieving these benefits may be higher than we currently expect, because of a number of risks, including but not limited to:

The possibility that the transaction may not further our business strategy as we expected;

Our operating results or financial condition may be adversely impacted by liabilities that we assume in the transaction; and

The risk of intellectual property disputes with respect to the acquired assets.

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In addition, the Chinese Ministry of Commerce conditioned its approval of the Samsung acquisition on our compliance with several on-going requirements, including: adopting measures to keep the Samsung HDD brand as a separate competitor to the Seagate HDD brand, expanding the Samsung HDD production capacity within six months of the decision, and investing at least $800 million per year for three years in R&D in our combined Samsung and Seagate HDD businesses. Compliance with these obligations may involve significant costs or require changes in business practices that result in reduced revenue. Noncompliance could result in extending the time under which we would be compelled to operate under these conditions.

As a result of these risks, the transaction may not contribute to our earnings as we expected, we may not achieve expected cost synergies when expected, or at all, and we may not achieve the other anticipated strategic and financial benefits of this transaction.

Our ability to use our net operating loss and tax credit carryforwards might be limited.

At June 28, 2013, the use of approximately $358 million and $90 million of our U.S. net operating loss and tax credit carryforwards, respectively, is subject to an aggregate annual limitation of $45 million pursuant to U.S. tax law. To the extent these net operating loss and tax credit carryforwards are available, we intend to use them to reduce the corporate income tax liability associated with our operations in the U.S. Section 382 of the U.S. Internal Revenue Code generally imposes an annual limitation on the amount of net operating loss or tax credit carryforwards that might be used to offset taxable income when a corporation has undergone significant changes in ownership. As a result, future changes in ownership, such as changes in ownership resulting from future repurchases of our ordinary shares, could put limitations on the availability of our net operating loss or tax credit carryforwards. If certain ownership changes occur in the foreseeable future, there may be an additional annual limitation on our ability to use our total U.S. federal and state net operating loss and credit carryforwards of $2.8 billion, $1.8 billion, and $415 million, respectively. If these ownership changes were to occur, we estimate a one-time charge for additional U.S. income tax expense of approximately $400 to $500 million may be recorded in the period such change occurs. This additional income tax expense results from a decrease in our net U.S. deferred tax assets recorded through a combination of the write off of deferred tax assets and associated changes to our valuation allowance. We also estimate that the ensuing additional annual limitation on our ability to use tax attribute carryovers may result in increased U.S. income tax expense associated with such change of approximately $70 to $85 million each year.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our company headquarters are located in Ireland, while our U.S. executive offices are located in Cupertino, California. Our principal manufacturing facilities are located in China, Malaysia, Northern Ireland, Singapore, Thailand and Minnesota. Our principal product development facilities are located in California, Colorado, Minnesota, Singapore and South Korea. Our leased facilities are occupied under leases that expire at various times through 2023.

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Our material manufacturing, product development and marketing and administrative facilities at June 28, 2013 are as follows:

Location	Building(s) Owned or Leased	Approximate Square Footage	Primary Use
United States			
California	Owned/Leased	895,000	Product development and marketing and administrative
Colorado	Owned	528,000	Product development
Minnesota	Owned/Leased	1,085,000	Manufacture of recording heads and product development
Oklahoma	Owned/Leased	150,000	Administrative
Europe			
Northern Ireland			
Springtown	Owned	479,000	Manufacture of recording heads
Asia			
China			
Suzhou	Owned[(1)]	1,103,000	Manufacture of drives
Wuxi	Leased	716,000	Manufacture of drives and drive subassemblies
Malaysia			
Johor	Owned[(1)]	631,000	Manufacture of substrates
Penang	Owned[(1)]	390,000	Manufacture of drive subassemblies
Singapore			
Woodlands	Owned[(1)]	1,404,000	Manufacture of media
Ang Mo Kio	Leased	258,000	Manufacturing support, product development and administrative
Science Park	Leased	110,000	Product development
Thailand			
Korat	Owned	1,716,000	Manufacture of drives and drive subassemblies
Teparuk	Owned	362,000	Manufacture of drive subassemblies
Korea			
Suwon	Owned	220,000	Product development

(1) Land leases for these facilities expire at varying dates through 2067.

As of June 28, 2013, we owned or leased a total of approximately 11.4 million square feet of space worldwide. We occupied approximately 7.0 million square feet for the purpose of manufacturing, 1.9 million square feet for product development, 1.6 million square feet for marketing and administrative purposes and subleased 0.2 million square feet. Included in the 11.4 million square feet of owned or leased space is a total of 0.9 million square feet that is currently unoccupied, primarily as a result of site closures at our facilities in Longmont, Colorado and Ang Mo Kio (AMK), Singapore. We believe that our existing properties are in good operating condition and are suitable and adequate for the operations for which they are used. As of June 28, 2013, all of our material manufacturing facilities are operating at normal utilization levels and none of our manufacturing facilities are experiencing significant underutilization.

ITEM 3. LEGAL PROCEEDINGS

See Item 8. Financial Statements and Supplementary Data Note 14, Legal, Environmental, and Other Contingencies.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our shares trade on the NASDAQ Global Select Market under the symbol "STX." The high and low sales prices of our shares, as reported by the NASDAQ Global Select Market, are set forth below for the periods indicated.

	Price Range	
Fiscal Quarter	**High**	**Low**
Quarter ended September 30, 2011	$ 17.17	$ 9.96
Quarter ended December 30, 2011	$ 18.60	$ 9.05
Quarter ended March 30, 2012	$ 28.63	$ 16.21
Quarter ended June 29, 2012	$ 32.55	$ 21.62
Quarter ended September 28, 2012	$ 35.71	$ 23.86
Quarter ended December 28, 2012	$ 31.49	$ 24.90
Quarter ended March 29, 2013	$ 37.94	$ 29.80
Quarter ended June 28, 2013	$ 45.50	$ 33.22

As of August 1, 2013 there were approximately 1,060 holders of record of our ordinary shares. We did not sell any of our equity securities during fiscal year 2013 that were not registered under the Securities Act of 1933, as amended.

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Performance Graph

The performance graph below shows the cumulative total shareholder return on our ordinary shares for the period from June 27, 2008 to June 28, 2013. This is compared with the cumulative total return of the Dow Jones US Computer Hardware Index and the Standard & Poor's 500 Stock Index over the same period. The graph assumes that on June 27, 2008, $100 was invested in our ordinary shares and $100 was invested in each of the other two indices, with dividends reinvested on the date of payment without payment of any commissions. Dollar amounts in the graph are rounded to the nearest whole dollar. The performance shown in the graph represents past performance and should not be considered an indication of future performance.

COMPARISON OF 60 MONTH
CUMULATIVE TOTAL RETURN*
Among Seagate Technology, The S&P 500 Index
And The Down Jones US Computer Hardware Index

	6/27/2008	7/3/2009	7/2/2010	7/1/2011	6/29/2012	6/28/2013
Seagate Technology	100.00	55.01	70.48	88.51	139.96	264.96
S&P 500	100.00	70.12	68.02	89.11	90.61	106.85
Dow Jones US Computer Hardware	100.00	80.22	114.01	145.84	191.47	150.04

*

$100 invested on 6/27/08 in stock and in index, including reinvestment of dividends.

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Dividends

Our ability to pay dividends in the future will be subject to, among other things, general business conditions within the disk drive industry, our financial results, the impact of paying dividends on our credit ratings and legal and contractual restrictions on the payment of dividends by our subsidiaries to us or by us to our ordinary shareholders, including restrictions imposed by covenants in our debt instruments.

The following were dividends paid in the last two fiscal years:

Record Date	Paid Date	Dividend per Share
August 5, 2011	August 26, 2011	$ 0.18
November 3, 2011	November 18, 2011	$ 0.18
February 15, 2012	March 1, 2012	$ 0.25
May 2, 2012	May 17, 2012	$ 0.25
August 5, 2012	August 26, 2012	$ 0.32
November 14, 2012	November 29, 2012	$ 0.32
December 14, 2012	December 28, 2012	$ 0.38
May 15, 2013	May 29, 2013	$ 0.38

From the closing of our initial public offering in December 2002 through 2013, we have paid dividends, pursuant to our dividend policy then in effect, totaling approximately $1.9 billion in the aggregate.

Repurchases of Our Equity Securities

On January 25, 2012, our Board of Directors authorized the repurchase of up to an additional $1 billion of our outstanding ordinary shares.

On April 26, 2012, the Board of Directors authorized the Company to repurchase an additional $2.5 billion of its outstanding ordinary shares.

All repurchases are effected as redemptions in accordance with the Company's Articles of Association.

The following table sets forth information with respect to all repurchases of our shares made during fiscal quarter ended June 28, 2013:

Period (In millions, except average price paid per share)	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares Purchased Under the Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
1st Quarter through 3rd Quarter of Fiscal Year 2013	53.5	$ 30.13	53.5	$ 1,612	$ 945
March 30, 2013 through April 26, 2013					945
April 27, 2013 through May 24, 2013					945
May 25, 2013 through June 28, 2013	1.0	42.00	1.0	42	903
Through 4th Quarter of Fiscal Year 2013	54.5	$ 30.35	54.5	$ 1,654	$ 903

On July 24, 2013, the Board of Directors authorized the Company to repurchase an additional $2.5 billion of its outstanding ordinary shares.

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ITEM 6. SELECTED FINANCIAL DATA

The following selected consolidated financial data set forth below is not necessarily indicative of results of future operations, and should be read in conjunction with "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements and related notes thereto included in "Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K, which are incorporated herein by reference, to fully understand factors that may affect the comparability of the information presented below.

The Consolidated Statements of Operations data for the fiscal years ended June 28, 2013, June 29, 2012 and July 1, 2011, and the Consolidated Balance Sheet data as of June 28, 2013 and June 29, 2012, are derived from our audited Consolidated Financial Statements appearing elsewhere in this Annual Report on Form 10-K. The Consolidated Statements of Operations data for the fiscal years ended July 2, 2010 and July 3, 2009, and the Consolidated Balance Sheet data at July 1, 2011, July 2, 2010 and July 3, 2009, are derived from our audited Consolidated Financial Statements that are not included in this Annual Report on Form 10-K.

	Fiscal Years Ended				
(Dollars in millions, except per share data)	**June 28, 2013**	**June 29, 2012**	**July 1, 2011**	**July 2, 2010**	**July 3, 2009[1]**
Revenue	$ 14,351	$ 14,939	$ 10,971	$ 11,395	$ 9,805
Gross margin	3,940	4,684	2,146	3,204	1,410
Income (loss) from operations	2,091	3,108	806	1,740	(2,665)
Net income (loss)	1,838	2,862	511	1,609	(3,125)
Total assets	9,243	10,106	9,225	8,247	7,087
Total debt	2,777	2,863	3,512	2,502	2,697
Equity	$ 3,506	$ 3,497	$ 2,463	$ 2,724	$ 1,554
Net income (loss) per share attributable to Seagate Technology plc ordinary shareholders:					
Basic	$ 4.97	$ 6.72	$ 1.13	$ 3.28	$ (6.40)
Diluted	4.81	6.49	1.09	3.14	(6.40)
Number of shares used in per share computations:					
Basic	370	426	451	491	488
Diluted	382	441	467	514	488
Cash dividends declared per share	$ 1.40	$ 0.86	$ 0.18	$	$ 0.27

(1) Includes the effect of a $2.3 billion impairment of goodwill and other long-lived assets.

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Supplementary Financial Data (Unaudited)

Quarterly Data

The Company operated and reported financial results based on 13-week quarters in fiscal years 2013 and 2012, which ended on the Friday closest to September 30, December 31, March 31, and June 30.

	Fiscal Year 2013 Quarters Ended			
(In millions, except per share data)	**June 28, 2013**	**March 29, 2013**	**December 28, 2012**	**September 28, 2012**
Revenue	$ 3,425	$ 3,526	$ 3,668	$ 3,732
Gross margin	939	948	992	1,061
Income from operations	448	465	555	624
Net income attributable to Seagate Technology plc	348	416	492	582
Net income per share attributable to Seagate Technology plc ordinary shareholders:				
Basic	$ 0.97	$ 1.16	$ 1.33	$ 1.48
Diluted	0.94	1.13	1.30	1.42

	Fiscal Year 2012 Quarters Ended			
(In millions, except per share data)	**June 29, 2012**	**March 30, 2012**	**December 30, 2011**	**September 30, 2011**
Revenue	$ 4,482	$ 4,450	$ 3,195	$ 2,811
Gross margin	1,484	1,641	1,010	549
Income from operations	1,057	1,210	605	236
Net income	1,013	1,146	563	140
Net income per share:				
Basic	$ 2.46	$ 2.57	$ 1.32	$ 0.33
Diluted	2.37	2.48	1.28	0.32

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion of the Company's financial condition, changes in financial condition and results of operations for the fiscal years ended June 28, 2013, June 29, 2012, and July 1, 2011.

You should read this discussion in conjunction with "Item 6. Selected Financial Data" and "Item 8. Financial Statements and Supplementary Data" included elsewhere in this Annual Report on Form 10-K. Except as noted, references to any fiscal year mean the twelve-month period ending on the Friday closest to June 30 of that year.

Some of the statements and assumptions included in this Annual Report on Form 10-K are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 or 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 year ending June 27, 2014 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 us as of the date of this Annual Report on Form 10-K 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 our control and may pose a risk to our operating and financial condition. Such risks and uncertainties include, but are not limited to: uncertainty in global economic conditions, as consumers and businesses may defer purchases in response to tighter credit and financial news; the impact of variable demand and the adverse pricing environment for disk drives, particularly in view of current business and economic conditions; dependence on our ability to successfully qualify, manufacture and sell our 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 our 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 those projected in the forward-looking statements is also set forth in "Item 1A.Risk Factors" of this Annual Report on Form 10-K, which we encourage you to carefully read. These forward-looking statements should not be relied upon as representing our views as of any subsequent date and we undertake no obligation to update forward-looking statements to reflect events or circumstances after the date they were made. The following is a discussion of the financial condition and results of operations for the fiscal years ended June 28, 2013, June 29, 2012, and July 1, 2011.

Our Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is provided in addition to the accompanying consolidated financial statements and notes to assist readers in understanding our results of operations, financial condition, and cash flows. MD&A is organized as follows:

Our Company. Discussion of our business.

Business Overview. Discussion of industry trends and their impact on our business.

Fiscal Year 2013 Summary. Overview of financial and other highlights affecting us for fiscal year 2013.

Results of Operations. Analysis of our financial results comparing fiscal year 2013 to 2012 and comparing fiscal years 2012 to 2011.

Liquidity and Capital Resources. An analysis of changes in our balance sheets and cash flows, and discussion of our financial condition including the credit quality of our investment portfolio and potential sources of liquidity.

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Contractual Obligations and Off-Balance-Sheet Arrangements. Overview of contractual obligations and contingent liabilities and commitments outstanding as of June 28, 2013 and an explanation of off-balance-sheet arrangements.

Critical Accounting Estimates. Accounting estimates that we believe are important to understanding the assumptions and judgments incorporated in our reported financial results.

Our Company

We are a leading provider of electronic data storage products. Our principal products are hard disk drives, commonly referred to as disk drives, hard drives or HDDs. Hard disk drives are devices that store digitally encoded data on rapidly rotating disks with magnetic surfaces. Disk drives continue to be the primary medium of mass data storage due to their performance attributes, high quality and cost effectiveness.

We produce a broad range of electronic data storage products including HDDs, solid state hybrid drives (SSHD) and solid state drives (SSD), which address enterprise applications, where our products are designed for enterprise servers, mainframes and workstations; client compute applications, where our products are designed for desktop and notebook computers; and client non-compute applications, where our products are designed for a wide variety of end user devices such as digital video recorders (DVRs), gaming consoles, personal data backup systems, portable external storage systems and digital media systems. In addition to manufacturing and selling data storage products, we provide data storage services for small to medium-sized businesses, including online backup, data protection and recovery solutions.

Business Overview

Our industry is characterized by several trends and factors that have a material impact on our strategic planning, financial condition and results of operations.

Industry Supply Balance

From time to time the industry has experienced periods of imbalance between supply and demand. To the extent that the disk drive industry builds capacity based on expectations of demand that do not materialize, price erosion may become more pronounced. Conversely, during periods where demand exceeds supply, price erosion is generally muted.

In early October 2011, floodwaters north of Bangkok, Thailand inundated many manufacturing industrial parks that contained a number of the factories supporting the HDD industry's supply chain. The HDD industry had concentrated a large portion of its supply chain participants within these industrial parks in an effort to reduce cost and improve logistics. As a result, the inundation of floodwaters into these industrial parks had caused the closure or suspension of production by a number of participants within the HDD supply chain.

During the supply chain disruption in fiscal year 2012, we believe demand exceeded supply due to the impact from the flooding in Thailand, resulting in an increase in the average selling price ("ASP"). The industry's ability to manufacture and ship drives had substantially recovered as of the end of fiscal year 2012. During fiscal year 2013, price erosion has been relatively benign.

Demand Trends for Disk Drives

We believe that continued growth in digital content requires increasingly higher storage capacity in order to store, aggregate, host, distribute, manage, backup and use such content. We also believe that as architectures evolve to serve the growing commercial and consumer user base throughout the world, the manner which hard drives are delivered to market and utilized by our customers will evolve as well.

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We believe that in the foreseeable future the traditional enterprise and client compute markets that require high capacity storage solutions, as well as the data intensive client non-compute markets, will continue to be best served by hard disk drives due to the industry's ability to deliver cost effective, reliable and energy efficient mass storage devices. Furthermore, the increased use of client non-compute devices that consume media rich content streamed from the cloud increases the demand for high capacity disk drives in nearline applications.

Price Erosion. Historically, our industry has been characterized by price declines for disk drive products with comparable capacity, performance and feature sets ("like-for-like products").

Disk drive manufacturers typically attempt to offset price erosion with an improved mix of disk drive products characterized by higher capacity, better performance and additional feature sets and/or product cost reductions.

Seasonality

The disk drive industry traditionally experiences seasonal variability in demand with higher levels of demand in the second half of the calendar year. This seasonality is driven by consumer spending in the back-to-school season from late summer to fall and the traditional holiday shopping season from fall to winter. In addition, corporate demand is typically higher during the second half of the calendar year.

Fiscal Year 2013 Summary

Revenues for fiscal year 2013 were $14.4 billion while gross margin as a percentage of revenue was 27%. We repurchased 54 million of our ordinary shares during the year for approximately $1.7 billion, paid dividends of $0.5 billion, paid $1.2 billion for the early redemption and repurchase of debt with a principal value of $1.1 billion and issued $1.0 billion of 4.75% Senior Notes due 2023.

Results of Operations

We list in the table below summarized information from our consolidated statements of operations by dollars and as a percentage of revenue:

	Fiscal Years Ended		
(Dollars in millions)	**June 28, 2013**	**June 29, 2012**	**July 1, 2011**
Revenue	$ 14,351	$ 14,939	$ 10,971
Cost of revenue	10,411	10,255	8,825
Gross margin	3,940	4,684	2,146
Product development	1,133	1,006	875
Marketing and administrative	635	528	445
Amortization of intangibles	79	38	2
Restructuring and other, net	2	4	18
Income from operations	2,091	3,108	806
Other expense, net	(260)	(226)	(227)
Income before income taxes	1,831	2,882	579
(Benefit from) provision for income taxes	(7)	20	68
Net income	1,838	2,862	511
Less: Net income attributable to noncontrolling interest			
Net income attributable to Seagate Technology plc	$ 1,838	$ 2,862	$ 511

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(as a percentage of Revenue)	Fiscal Years Ended June 28, 2013	June 29, 2012	July 1, 2011
Revenue	100%	100%	100%
Cost of revenue	73	69	80
Gross margin	27	31	20
Product development	8	7	8
Marketing and administrative	4	4	4
Amortization of intangibles	1		
Restructuring and other, net			
Income from operations	14	21	7
Other expense, net	(2)	(2)	(2)
Income before income taxes	12	19	5
Provision for (benefit from) income taxes			1
Net income	12	19	5
Less: Net income attributable to noncontrolling interest			
Net income attributable to Seagate Technology plc	12%	19%	5%

The following table summarizes information regarding volume shipments, average selling prices (ASPs) and revenues by channel and geography:

(In millions, except percentages and ASPs)	Fiscal Years Ended June 28, 2013	June 29, 2012	July 1, 2011
Net Revenue	$ 14,351	$ 14,939	$ 10,971
Unit Shipments:			
Enterprise	30	29	29
Client Compute	151	156	132
Client Non-Compute	45	39	38
Total Units Shipped	226	224	199
ASP (per unit)	$ 63	$ 66	$ 54
Exabytes Shipped	185	150	110
Revenues by Channel (%)			
OEM	68%	72%	69%
Distributors	21%	21%	22%
Retail	11%	7%	9%
Revenues by Geography (%)			
Americas	27%	26%	29%
EMEA	19%	19%	20%
Asia Pacific	54%	55%	51%

Fiscal Year 2013 Compared to Fiscal Year 2012

Revenue

(Dollars in millions)	Fiscal Years Ended June 28, 2013	June 29, 2012	Change	% Change
Revenue	$ 14,351	$ 14,939	$ (588)	(4)%

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Revenue in fiscal year 2013 decreased approximately 4%, or $0.6 billion, from fiscal year 2012 due to a decrease in the average selling price per unit. The decrease in the average selling price to $63 per unit during fiscal year 2013, as compared to $66 per unit in the prior year, was primarily due to supply constraints beginning in the second quarter of fiscal year 2012 as a result of the severe flooding in Thailand, partially offset by a favorable product mix and slightly higher volumes in fiscal year 2013, which included a full period of Samsung labeled HDD products.

Gross Margin

	Fiscal Years Ended			
(Dollars in millions)	June 28, 2013	June 29, 2012	Change	% Change
Cost of revenue	$ 10,411	$ 10,255	$ 156	2%
Gross margin	$ 3,940	$ 4,684	$ (744)	(16)%
Gross margin percentage	27%	31%		

For fiscal year 2013, gross margin as a percentage of revenue decreased to 27% from 31% in the prior fiscal year, as a result of higher ASPs during fiscal year 2012. Our ASPs during fiscal year 2012 were increased due to the limited industry supply of hard drives as a result of the severe flooding in Thailand.

Operating Expenses

	Fiscal Years Ended			
(Dollars in millions)	June 28, 2013	June 29, 2012	Change	% Change
Product development	$ 1,133	$ 1,006	$ 127	13%
Marketing and administrative	635	528	107	20%
Amortization of intangibles	79	38	41	108%
Restructuring and other, net	2	4	(2)	(50)%
Operating expenses	$ 1,849	$ 1,576	$ 273	

Product Development Expense. Product development expenses for fiscal year 2013 increased from fiscal year 2012, primarily due to increased investments in HDD and alternative storage technologies of approximately $84 million, and headcount related costs of approximately $41 million, net of a decrease in variable performance based compensation of approximately $7 million.

Marketing and Administrative Expense. Marketing and administrative expenses for fiscal year 2013 increased from fiscal year 2012 primarily due to further investments in certain strategic initiatives as well as enhancement of our core business operations. This, along with our annual focal increases, resulted in additional headcount related costs of $64 million, net of a reduction in variable performance based compensation of $7 million. In addition, the consolidation of LaCie in fiscal year 2013 contributed approximately $32 million to Marketing and administrative expense.

Amortization of Intangibles. Amortization of intangibles for fiscal year 2013 increased as a result of the acquisition of Samsung's HDD business in December of 2011, and LaCie in August of 2012.

Restructuring and Other, net. Restructuring and other, net for fiscal years 2013 and 2012, was not material and primarily related to previously announced restructuring plans.

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Other Income (Expense), net

(Dollars in millions)	Fiscal Years Ended June 28, 2013	June 29, 2012	Change	% Change
Other expense, net	$ (260)	$ (226)	$ (34)	15%

Other expense, net for fiscal year 2013 compared to fiscal year 2012 increased due to a loss of $141 million on the early redemption and repurchase of debt. These losses were partially offset by gains recorded for sales of our available for sale securities and strategic investments of $61 million, insurance proceeds of $25 million for equipment damaged during the severe flooding in Thailand in October of 2011, and a decrease in interest expense of $27 million due to a reduction in our average interest rate and total debt levels.

Income Taxes

(Dollars in millions)	Fiscal Years Ended June 28, 2013	June 29, 2012	Change	% Change
Provision for (benefit from) income taxes	$ (7)	$ 20	$ (27)	(135)%

We recorded an income tax benefit of $7 million for fiscal year 2013 compared to an income tax provision of $20 million for fiscal year 2012. Our fiscal year 2013 benefit from income taxes included $52 million of income tax benefit from the reversal of a portion of the U.S. valuation allowance recorded in prior periods. Our fiscal year 2012 provision for income taxes included $35 million of income tax benefit from the reversal of a portion of the U.S. valuation allowance recorded in prior periods.

Our Irish tax resident parent holding company owns various U.S. and non-U.S. subsidiaries that operate in multiple non-Irish tax jurisdictions. Our worldwide operating income is either subject to varying rates of tax or is exempt from tax due to tax holidays or tax incentive programs we operate under in Malaysia, Singapore and Thailand. These tax holidays or incentives are scheduled to expire in whole or in part at various dates through 2020.

Our income tax provision recorded for fiscal year 2013 differed from the provision for income taxes that would be derived by applying the Irish statutory rate of 25% to income before income taxes, primarily due to the net effect of (i) tax benefits related to non-U.S. earnings generated in jurisdictions that are subject to tax holidays or tax incentive programs and are considered indefinitely reinvested outside of Ireland and (ii) a decrease in valuation allowance for certain U.S. deferred tax assets. The acquisition of a majority interest in the outstanding shares of LaCie did not have a material impact on our effective tax rate in fiscal year 2013. Our income tax provision recorded for fiscal year 2012 differed from the provision for income taxes that would be derived by applying the Irish statutory rate of 25% to income before income taxes, primarily due to the net effect of (i) tax benefits related to non-U.S. earnings generated in jurisdictions that are subject to tax holidays or tax incentive programs and are considered indefinitely reinvested outside of Ireland, and (ii) a decrease in valuation allowance for certain U.S. deferred tax assets. The acquisition of Samsung's HDD business did not have a significant impact on our effective tax rate in fiscal year 2012.

The American Taxpayer Relief Act of 2012 (ATRA 2012) was enacted on January 2, 2013. ATRA 2012 retroactively reinstated and extended the federal Research and Development Tax Credit (R&D Credit) from January 1, 2012 to December 31, 2013 as well as bonus depreciation on qualified property. Extension of the R&D Credit and bonus depreciation has no immediate impact on our income tax provision due to existing valuation allowances on our U.S. deferred tax assets. None of the other ATRA 2012 changes are expected to have a material impact on our income tax provision.

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Based on our non-U.S. ownership structure and subject to (i) potential future increases in our valuation allowance for deferred tax assets; and (ii) a future change in our intention to indefinitely reinvest earnings from our subsidiaries outside of Ireland, we anticipate that our effective tax rate in future periods will generally be less than the Irish statutory rate.

At June 28, 2013, our deferred tax asset valuation allowance was approximately $989 million.

At June 28, 2013, we had net deferred tax assets of $554 million. The realization of these deferred tax assets is primarily dependent on our ability to generate sufficient U.S. and certain non-U.S. taxable income in future periods. Although realization is not assured, we believe that it is more likely than not that these deferred tax assets will be realized. The amount of deferred tax assets considered realizable, however, may increase or decrease in subsequent periods when we re-evaluate the underlying basis for our estimates of future U.S. and certain non-U.S. taxable income.

As of June 28, 2013, the use of approximately $358 million and $90 million of our total U.S. net operating loss and tax credit carry forwards, respectively, is subject to an aggregate annual limitation of $45 million pursuant to U.S. tax law. If certain ownership changes occur in the foreseeable future, there may be an additional annual limitation on our ability to use our total U.S. federal and state net operating loss and credit carryforwards of $2.8 billion, $1.8 billion and $415 million, respectively. It is reasonably possible that such a change could occur. If these ownership changes were to occur, we estimate a one-time charge for additional U.S. income tax expense of approximately $ 400 to $500 million may be recorded in the period such change occurs. This additional income tax expense results from a decrease in our net U.S. deferred tax assets recorded through a combination of the write off of deferred tax assets and associated changes to our valuation allowance. We also estimate that the ensuing additional annual limitation on our ability to use our tax attribute carryovers may result in increased U.S. income tax expense associated with such change of approximately $70 to $85 million each year.

As of June 28, 2013 and June 29, 2012, we had approximately $157 million and $135 million, respectively, of unrecognized tax benefits excluding interest and penalties. The unrecognized tax benefits that, if recognized, would impact the effective tax rate is $157 million and $135 million as of June 28, 2013 and June 29, 2012, respectively, subject to certain future valuation allowance reversals.

It is our policy to include interest and penalties related to unrecognized tax benefits in the provision for taxes on the Consolidated Statements of Operations. During fiscal year 2013, we recognized a net tax expense for interest and penalties of $2 million as compared to a net tax expense for interest and penalties of $2 million and less than $1 million during fiscal year 2012 and fiscal year 2011, respectively. As of June 28, 2013, we had $19 million of accrued interest and penalties related to unrecognized tax benefits compared to $17 million in fiscal year 2012.

During the fiscal year ended June 28, 2013, our unrecognized tax benefits excluding interest and penalties increased by approximately $22 million primarily due to (i) increases in current year unrecognized tax benefits of $16 million, (ii) net increases in prior year unrecognized tax benefits of $10 million, (iii) reductions associated with the expiration of certain statutes of limitation of $5 million, (iv) increases from other activity, including non-U.S. exchange gains, of $1 million.

During the 12 months beginning June 29, 2013, we expect to reduce our unrecognized tax benefits by approximately $3 million as a result of the expiration of certain statutes of limitation. We do not believe it is reasonably possible that other unrecognized tax benefits will materially change in the next 12 months.

We are subject to taxation in many jurisdictions globally and are required to file U.S. federal, U.S. state, and non-U.S income tax returns. In February, 2013, we reached a settlement with the IRS on all issues related to fiscal years ending in 2005 through 2007. Settlement of the issues in this period has no material impact on our financial statements. We are no longer subject to tax examination of U.S. federal income tax returns for years prior to fiscal year 2008. With respect to U.S. state and non-U.S. income tax returns, we are generally no longer subject to tax examination for years prior to fiscal year 2004.

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Fiscal Year 2012 Compared to Fiscal Year 2011

Revenue

	Fiscal Years Ended			
(Dollars in millions)	June 29, 2012	July 1, 2011	Change	% Change
Revenue	$ 14,939	$ 10,971	$ 3,968	36%

Revenue in fiscal year 2012 increased approximately 36%, or $4.0 billion, from fiscal year 2011 due primarily to an increase in average selling price per unit and in total units shipped. Units shipped in fiscal year 2012 increased 13%, or 25 million units, from fiscal year 2011. The increase in the average selling price to $66 per unit during fiscal year 2012, as compared to $54 per unit in the prior year, was primarily due to the limited industry supply of hard drives resulting from the severe flooding in Thailand.

Gross Margin

	Fiscal Years Ended			
(Dollars in millions)	June 29, 2012	July 1, 2011	Change	% Change
Cost of revenue	$ 10,255	$ 8,825	$ 1,430	16%
Gross margin	$ 4,684	$ 2,146	$ 2,538	118%
Gross margin percentage	31%	20%		

For fiscal year 2012, gross margin as a percentage of revenue increased to 31% from 20% in the prior fiscal year, primarily due to the increased selling price per unit throughout most of fiscal year 2012.

Operating Expenses

	Fiscal Years Ended			
(Dollars in millions)	June 29, 2012	July 1, 2011	Change	% Change
Product development	$ 1,006	$ 875	$ 131	15%
Marketing and administrative	528	445	83	19%
Amortization of intangibles	38	2	36	1,800%
Restructuring and other, net	4	18	(14)	(78)%
Operating expenses	$ 1,576	$ 1,340	$ 236	

Product Development Expense. Product development expenses for fiscal year 2012 increased from fiscal year 2011, primarily reflecting an increase in variable performance-based compensation and the integration of the HDD business acquired from Samsung.

Marketing and Administrative Expense. The increase in Marketing and administrative expenses for fiscal year 2012 compared to fiscal year 2011 was primarily due to an increase in variable performance-based compensation and integration of the HDD business acquired from Samsung.

Amortization of Intangibles. Amortization of intangibles for fiscal year 2012 increased as a result of the acquisition of Samsung's HDD business in December 2011.

Restructuring and Other, net. Restructuring and other, net for fiscal years 2012 and 2011, were not material and primarily related to previously announced restructuring plans.

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Other Expense, net

(Dollars in millions)	Fiscal Years Ended June 29, 2012	July 1, 2011	Change	% Change
Other expense, net	$ (226)	$ (227)	$ 1	%

Other expense, net for fiscal year 2012 compared to fiscal year 2011 was relatively flat, and included an increase in interest expense resulting from higher average debt balances, substantially offset by gains on foreign currency remeasurement.

Income Taxes

(Dollars in millions)	Fiscal Years Ended June 29, 2012	July 1, 2011	Change	% Change
Provision for income taxes	$ 20	$ 68	$ (48)	(71)%

We recorded an income tax provision of $20 million for fiscal year 2012 compared to an income tax provision of $68 million for fiscal year 2011. Our fiscal year 2012 provision for income taxes included $35 million of income tax benefit from the reversal of a portion of the U.S. valuation allowance recorded in prior periods. Our fiscal year 2011 provision for income taxes included non-U.S. income taxes recorded for increases in income tax reserves for non-U.S. income tax positions taken in prior fiscal years, partially offset by tax benefits recorded for the release of income tax reserves associated with settlements of income tax audits and the expiration of certain statutes of limitation.

Our income tax provision recorded for fiscal year 2012 differed from the provision for income taxes that would be derived by applying the Irish statutory rate of 25% to income before income taxes, primarily due to the net effect of (i) tax benefits related to non-U.S. earnings generated in jurisdictions that are subject to tax holidays or tax incentive programs and are considered indefinitely reinvested outside of Ireland, and (ii) a decrease in valuation allowance for certain U.S. deferred tax assets. The acquisition of Samsung's HDD business did not have a significant impact on our effective tax rate in fiscal year 2012. Our income tax provision recorded for the comparative fiscal year ended July 1, 2011 differed the provision for income taxes that would be derived by applying the Irish statutory rate of 25% to income before income taxes primarily due to the net effect of (i) tax benefits related to non-U.S. earnings generated in jurisdictions that are subject to tax holidays or tax incentive programs and are considered indefinitely reinvested outside of Ireland, (ii) income tax expense related to intercompany transactions, (iii) a decrease in valuation allowance for certain deferred tax assets, and (iv) non-U.S. losses with no tax benefit.

Liquidity and Capital Resources

The following sections discuss our principal liquidity requirements, as well as our sources and uses of cash and our liquidity and capital resources. Our cash and cash equivalents are maintained in investments with remaining maturities of 90 days or less at the time of purchase. Our short-term investments consist primarily of readily marketable securities with remaining maturities of more than 90 days at the time of purchase. The principal objectives of our investment policy are the preservation of principal and maintenance of liquidity. We intend to maintain a highly liquid portfolio by investing only in those marketable securities that we believe have active secondary or resale markets. We believe our cash equivalents and short-term investments are liquid and accessible. We operate in some countries that have restrictive regulations over the movement of cash and/or foreign exchange across their borders. However, these restrictions have not impeded our ability to conduct our business, nor do we expect them to in the next 12 months. We are not aware of any downgrades, losses or other significant deterioration in the fair

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value of our cash equivalents or short-term investments and accordingly, we do not believe the fair value of our short-term investments has significantly changed from the values reported as of June 28, 2013.

Cash and cash equivalents, short-term investments, and restricted cash and investments

(Dollars in millions)	June 28, 2013	As of June 29, 2012	Change
Cash and cash equivalents	$ 1,708	$ 1,707	$ 1
Short-term investments	480	411	69
Restricted cash and investments	101	93	8
Total	$ 2,289	$ 2,211	$ 78

Our cash and cash equivalents, short-term investments and restricted cash and investments increased from June 29, 2012 as a result of net cash provided by operating activities and the proceeds from the issuance of $1 billion of our 4.75% notes due 2023. These cash inflows were partially offset by our repurchases of our ordinary shares, capital expenditures, redemption and repurchase of certain of our long-term debt, and dividends paid to our shareholders.

The following table summarizes results from the statement of cash flows for the periods indicated:

	Fiscal Years Ended		
(Dollars in millions)	June 28, 2013	June 29, 2012	July 1, 2011
Net cash flow provided by (used in):			
Operating activities	$ 3,047	$ 3,262	$ 1,264
Investing activities	(825)	(1,114)	(981)
Financing activities	(2,222)	(3,118)	131
Effect of foreign currency exchange rates	1		
Net increase (decrease) in cash and cash equivalents	$ 1	$ (970)	$ 414

Cash Provided by Operating Activities

Cash provided by operating activities for fiscal year 2013 was approximately $3.0 billion and includes the effects of net income adjusted for non-cash items including depreciation, amortization, stock-based compensation, and:

a decrease of $661 million in accounts receivable, net, primarily due to a decrease in revenue in the fourth quarter of fiscal year 2013 compared to the prior year period;

a decrease of $538 million in accounts payable, primarily due to a reduction in direct materials purchases due to a decrease in build volume in the fourth quarter of fiscal year 2013 compared to the prior year period;

a decrease of $272 million in vendor non-trade receivables primarily due to a decrease in build volumes in the fourth quarter of fiscal year 2013 compared to the prior year period;

a decrease of $170 million in accrued expenses, income taxes and warranty, primarily due to decreases in costs related to sales activities resulting from lower sales volumes; and

a decrease of $102 million in inventory, due to lower volumes in the fourth quarter of fiscal year 2013 compared to the prior year period.

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Cash provided by operating activities for fiscal year 2012 was approximately $3.3 billion and includes the effects of net income adjusted for non-cash items including depreciation, amortization, stock-based compensation, and:

- an increase of $824 million in accounts receivable, net, due to an increase in revenues;
- an increase of $157 million in accounts payable due to higher direct material purchases related to an increase in volume, partially offset by a change in supplier payment terms; and
- an increase of $145 million in accrued employee compensation reflecting an increase in variable performance-based compensation.

Cash provided by operating activities for fiscal year 2011 was approximately $1.3 billion and includes the effects of net income adjusted for non-cash items including depreciation, amortization, stock-based compensation, impairment of long-lived assets, and:

- an increase of $386 million in accounts payable due to higher direct material purchases related to an increase in volume;
- an increase of $168 million related to an increase in vendor non-trade receivables; and
- an increase of $115 million in inventories related to an increase in volume.

Cash Used in Investing Activities

In fiscal year 2013, we used $0.8 billion for net cash investing activities, which was primarily due to payments for property, equipment and leasehold improvements.

In fiscal year 2012, we used $1.1 billion for net cash investing activities, which was primarily due to payments for property, equipment and leasehold improvements of approximately $0.6 billion and net payments for the acquisition of Samsung's HDD business of $0.6 billion.

In fiscal year 2011, we used $1.0 billion for net cash investing activities, which was primarily attributable to payments for property, equipment and leasehold improvements of approximately $0.8 billion.

Cash Provided by (Used in) Financing Activities

Net cash used in financing activities of $2.2 billion for fiscal year 2013 was attributable to $1.7 billion paid to repurchase 54 million of our ordinary shares, $1.2 billion for the repurchase and redemption of long term debt and $0.5 billion in dividends paid to our shareholders. This use of cash was partially offset by the proceeds from the issuance of $1 billion of our 4.75% notes due 2023 and $0.3 billion in proceeds from the issuance of ordinary shares under employee stock plans.

Net cash used in financing activities of $3.1 billion for fiscal year 2012 was attributable to $2.4 billion paid to repurchase 101 million of our ordinary shares, $0.7 billion in long term debt repayments and $0.4 billion in dividends paid to our shareholders. This use of cash was partially offset by $0.3 billion in proceeds from the exercise of stock options and employee stock purchases.

Net cash provided by financing activities of $0.1 billion for fiscal year 2011 was attributable to $1.3 billion in net proceeds from the issuance of long-term debt partially offset by $0.8 billion to repurchase 56.9 million of our ordinary shares and $0.4 billion for the repayment of our long-term debt.

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Liquidity Sources

Our primary sources of liquidity as of June 28, 2013, consisted of: (1) approximately $2.2 billion in cash and cash equivalents, and short-term investments, (2) cash we expect to generate from operations and (3) a $500 million revolving credit facility. We also had $101 million in restricted cash and investments, of which $79 million was related to our employee deferred compensation liabilities under our non-qualified deferred compensation plan.

As of June 28, 2013, no borrowings have been drawn under the revolving credit facility, and $2 million had been utilized for letters of credit. The line of credit is available for borrowings, subject to compliance with financial covenants and other customary conditions to borrowing.

The credit agreement that governs our revolving credit facility, as amended, contains certain covenants that we must satisfy in order to remain in compliance with the credit agreement, as amended. The agreement also includes three financial covenants: (1) minimum cash, cash equivalents and marketable securities; (2) a fixed charge coverage ratio; and (3) a net leverage ratio. As of June 28, 2013, we were in compliance with all of the covenants under our revolving credit facility and debt agreements.

As of June 28, 2013, cash and cash equivalents held by non-Irish subsidiaries was $1.7 billion. This amount is potentially subject to taxation in Ireland upon repatriation by means of a dividend into our Irish parent. However, it is our intent to indefinitely reinvest earnings of non-Irish subsidiaries outside of Ireland and our current plans do not demonstrate a need to repatriate such earnings by means of a taxable Irish dividend. Should funds be needed in the Irish parent company and should we be unable to fund parent company activities through means other than a taxable Irish dividend, we would be required to accrue and pay Irish taxes on such dividend.

We believe that our sources of cash will be sufficient to fund our operations and meet our cash requirements for at least the next 12 months.

Cash Requirements and Commitments

Our liquidity requirements are primarily to meet our working capital, research and development and capital expenditure needs, to fund scheduled payments of principal and interest on our indebtedness, and to fund our dividend. Our ability to fund these requirements will depend on our future cash flows, which are determined by future operating performance, and therefore, subject to prevailing global macroeconomic conditions and financial, business and other factors, some of which are beyond our control.

On July 24, 2013, our Board of Directors approved a cash dividend of $0.38 per share, which will be payable on August 21, 2013 to shareholders of record as of the close of business on August 7, 2013.

As of June 28, 2013, we were in compliance with all of the covenants under our debt agreements. Based on our current outlook, we expect to be in compliance with the covenants of our debt agreements over the next 12 months.

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The carrying value of our long-term debt as of June 28, 2013 and June 29, 2012 was $2.8 billion and $2.9 billion, respectively. The table below presents the principal amounts of our outstanding long-term debt:

(Dollars in millions)	June 28, 2013	As of June 29, 2012	Change
10.0% Senior Secured Second-Priority Notes due May 2014	$	$ 319	$ (319)
6.8% Senior Notes due October 2016	335	600	(265)
7.75% Senior Notes due December 2018	238	750	(512)
6.875% Senior Notes due May 2020	600	600	
7.00% Senior Notes due November 2021	600	600	
4.75% Senior Notes due June 2023	1,000		1,000
Other	4		4
Total	$ 2,777	$ 2,869	$ (92)

During fiscal year 2013, we repurchased approximately 54 million of our ordinary shares. See "Item 5. Market for Registrant's Shares, Related Shareholder Matters and Issuer Purchases of Equity Securities-Repurchases of Our Equity Securities."

For fiscal year 2014, we expect capital investments to remain within our long-term targeted range of 6-8% of revenue. We require substantial amounts of cash to fund scheduled payments of principal and interest on our indebtedness, future capital expenditures and any increased working capital requirements. We will continue to evaluate and manage the retirement and replacement of existing debt and associated obligations, including evaluating the issuance of new debt securities, exchanging existing debt securities for other debt securities and retiring debt pursuant to privately negotiated transactions, open market purchases or otherwise. In addition, we may selectively pursue strategic alliances, acquisitions and investments, which may require additional capital.

Contractual Obligations and Commitments

Our contractual cash obligations and commitments as of June 28, 2013, have been summarized in the table below:

		Fiscal Year(s)			
(Dollars in millions)	Total	2014	2015-2016	2017-2018	Thereafter
Contractual Cash Obligations:					
Long-term debt	$ 2,777	$ 3	$ 1	$ 335	$ 2,438
Interest payments on debt	1,317	173	365	288	491
Capital expenditures	284	168	116		
Operating leases[1]	165	31	35	18	81
Purchase obligations[2]	1,470	1,286	184		
Other funding requirements	30	30			
Subtotal	6,043	1,691	701	641	3,010
Commitments:					
Letters of credit or bank guarantees	31	28	3		
Total	$ 6,074	$ 1,719	$ 704	$ 641	$ 3,010

(1) Includes total future minimum rent expense under non-cancelable leases for both occupied and vacated facilities (rent expense is shown net of sublease income).

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(2) Purchase obligations are defined as contractual obligations for the purchase of goods or services, which are enforceable and legally binding on us, and that specify all significant terms.

As of June 28, 2013, we had a liability for unrecognized tax benefits and an accrual for the payment of related interest totaling $87 million, none of which is expected to be settled within one year. Outside of one year, we are unable to make a reasonably reliable estimate of when cash settlement with a taxing authority will occur.

Off-Balance Sheet Arrangements

As of June 28, 2013, we did not have any material off-balance sheet arrangements (as defined in Item 303(a)(4)(ii) of Regulation S-K).

Critical Accounting Policies

The methods, estimates and judgments we use in applying our most critical accounting policies have a significant impact on the results we report in our consolidated financial statements. The SEC has defined the most critical accounting policies as the ones that are most important to the portrayal of our financial condition and operating results, and require us to make our most difficult and subjective judgments, often as a result of the need to make estimates of matters that are highly uncertain at the time of estimation. Based on this definition, our most critical policies include: establishment of sales program accruals, establishment of warranty accruals, accounting for income taxes, and the accounting for goodwill and other long-lived assets. Below, we discuss these policies further, as well as the estimates and judgments involved. We also have other accounting policies and accounting estimates relating to uncollectible customer accounts, valuation of inventory, valuation of share-based payments and restructuring. We believe that these other accounting policies and accounting estimates either do not generally require us to make estimates and judgments that are as difficult or as subjective, or it is less likely that they would have a material impact on our reported results of operations for a given period.

Establishment of Sales Program Accruals. We establish certain distributor and OEM sales programs aimed at increasing customer demand. For OEM sales, rebates are typically based on an OEM customer's volume of purchases or other agreed upon rebate programs. For the distribution channel, these programs typically involve rebates related to a distributor's level of sales, order size, advertising or point of sale activity and price protection adjustments. We provide for these obligations at the time that revenue is recorded based on estimated requirements. We estimate these contra-revenue rebates and adjustments based on various factors, including price reductions during the period reported, estimated future price erosion, customer orders, distributor sell-through and inventory levels, program participation, customer claim submittals and sales returns. Our estimates reflect contractual arrangements but also our judgment relating to variables such as customer claim rates and attainment of program goals, and inventory and sell-through levels reported by our distribution customers. Currently, our distributors' inventories are at the low end of the historical range.

While we believe we have sufficient experience and knowledge of the market and customer buying patterns to reasonably estimate such rebates and adjustments, actual market conditions or customer behavior could differ from our expectations. As a result, actual payments under these programs, which may spread over several months after the related sale, may vary from the amount accrued. Accordingly, revenues and margins in the period in which the adjustment occurs may be affected.

Significant actual variations in any of the factors upon which we base our contra-revenue estimates could have a material effect on our operating results. In fiscal year 2013, sales programs were approximately 9% of gross revenue. For fiscal years 2012 and 2011, total sales programs ranged from 2% to 9% of gross revenues. Adjustments to revenues due to under or over accruals for sales programs related to revenues reported in prior quarterly periods averaged 0.3% of quarterly gross revenue for fiscal years 2011 through 2012, and were approximately 0.3% of gross revenue in fiscal year 2013. Any future shifts in the

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industry supply-demand balance as well as other factors may result in a more competitive pricing environment and may cause sales programs as a percentage of gross revenue to increase from the current or historical levels. If such rebates and incentives trend upwards, revenues and margins will be reduced.

Establishment of Warranty Accruals. We estimate probable product warranty costs at the time revenue is recognized. We generally warrant our products for a period of 1 to 5 years. Our warranty provision considers estimated product failure rates and trends (including the timing of product returns during the warranty periods), and estimated repair or replacement costs related to product quality issues, if any. We also exercise judgment in estimating our ability to sell certain repaired disk drives. Should actual experience in any future period differ significantly from our estimates, our future results of operations could be materially affected. Our judgment is subject to a greater degree of subjectivity with respect to newly introduced products because of limited experience with those products upon which to base our warranty estimates.

The actual results with regard to warranty expenditures could have an adverse or favorable effect on our results of operations if the actual rate of unit failure, the cost to repair a unit, or the actual cost required to satisfy customer claims differs from those estimates we used in determining the warranty accrual. Since we typically outsource our warranty repairs, our repair cost is subject to periodic negotiations with vendors and may vary from our estimates. We also exercise judgment in estimating our ability to sell certain repaired disk drives. To the extent such sales fall below our forecast, warranty cost will be adversely impacted.

We review our warranty accrual quarterly for products shipped in prior periods and which are still under warranty. Any changes in the estimates underlying the accrual may result in adjustments that impact the current period gross margins and income. In fiscal years 2013, 2012 and 2011 net changes in estimates of prior warranty accruals as a percentage of revenue were immaterial. Our total warranty cost was 1.6%, 1.5% and 1.8% of revenue during fiscal years 2013, 2012 and 2011, respectively, while warranty cost related to new shipments (exclusive of the impact of re-estimates of pre-existing liabilities) were 1.3%, 1.1% and 1.8% respectively, for the same periods. Changes in anticipated failure rates of specific products and significant changes in repair or replacement costs have historically been the major reasons for significant changes in prior estimates. Any future changes in failure rates of certain products, as well as changes in repair costs or the cost of replacement parts, may result in increased or decreased warranty accruals.

Accounting for Income Taxes. We account for income taxes pursuant to Accounting Standards Codification (ASC) Topic 740 (ASC 740), Income Taxes. In applying, ASC 740, we make certain estimates and judgments in determining income tax expense for financial statement purposes. These estimates and judgments occur in the calculation of tax credits, recognition of income and deductions and calculation of specific tax assets and liabilities, which arise from differences in the timing of recognition of revenue and expense for tax and financial statement purposes, as well as tax liabilities associated with uncertain tax positions. The calculation of tax liabilities involves uncertainties in the application of complex tax rules and the potential for future adjustment of our uncertain tax positions by the Internal Revenue Service or other tax jurisdictions. If estimates of these tax liabilities are greater or less than actual results, an additional tax benefit or provision will result. The deferred tax assets we record each period depend primarily on our ability to generate future taxable income in the United States and certain non-U.S. jurisdictions. Each period, we evaluate the need for a valuation allowance for our deferred tax assets and, if necessary, we adjust the valuation allowance so that net deferred tax assets are recorded only to the extent we conclude it is more likely than not that these deferred tax assets will be realized. If our outlook for future taxable income changes significantly, our assessment of the need for a valuation allowance may also change.

Assessing Goodwill and Other Long-lived Assets for Impairment. We account for goodwill in accordance with ASC 350, *Intangibles Goodwill and Other*. As permitted by ASC 350, we perform a qualitative assessment in determining whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying

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amount. Based on the qualitative assessment, if it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then the Company is not required to perform the two-step goodwill impairment test.

In accordance with ASC 360-05-4, *Impairment or Disposal of Long-lived Assets,* we test other long-lived assets, including property, equipment and leasehold improvements and other intangible assets subject to amortization, for recoverability whenever events or changes in circumstances indicate that the carrying values of those assets may not be recoverable. We assess the recoverability of an asset group by determining if the carrying value of the asset group exceeds the sum of the projected undiscounted cash flows expected to result from the use and eventual disposition of the assets over the remaining economic life of the primary asset in the asset group. If the recoverability test indicates that the carrying value of the asset group is not recoverable, we will estimate the fair value of the asset group using the same approaches indicated above for ASC 360 step two and compare it to its carrying value. The excess of the carrying value over the fair value is allocated pro rata to derive the adjusted carrying value of each asset in the asset group. The adjusted carrying value of each asset in the asset group is not reduced below its fair value.

Recent Accounting Pronouncements

See "Item 8. Financial Statements and Supplementary Data, Note 1. Basis of Presentation and Summary of Significant Accounting Policies" for information regarding the effect of new accounting pronouncements on our financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have exposure to market risks due to the volatility of interest rates, foreign currency exchange rates, equity and bond markets. A portion of these risks are hedged, but fluctuations could impact our results of operations, financial position and cash flows. Additionally, we have exposure to downgrades in the credit ratings of our counterparties as well as exposure related to our credit rating changes.

Interest Rate Risk. Our exposure to market risk for changes in interest rates relates primarily to our investment portfolio. As of June 28, 2013, the Company had no material available-for-sale securities that had been in a continuous unrealized loss position for a period greater than 12 months. The Company determined no material available-for-sale securities were other-than-temporarily impaired as of June 28, 2013. We currently do not use derivative financial instruments in our investment portfolio.

We have fixed rate debt obligations. We enter into debt obligations for general corporate purposes including capital expenditures and working capital needs. We currently do not use interest rate derivatives to hedge interest rate exposure on our outstanding debt.

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The table below presents principal amounts and related weighted average interest rates by year of maturity for our investment portfolio and debt obligations as of June 28, 2013. All short-term investments mature in four years or less.

	Fiscal Years Ended							
(Dollars in millions, except percentages)	**2014**	**2015**	**2016**	**2017**	**2018**	**Thereafter**	**Total**	**Fair Value at June 28, 2013**
Assets								
Cash equivalents:								
Fixed rate	$ 1,528	$	$	$	$	$	$ 1,528	$ 1,528
Average interest rate	0.07%						0.07%	
Short-term investments:								
Fixed rate	$ 105	$ 150	$ 161	$ 40	$ 13	$	$ 469	$ 478
Average interest rate	0.62%	0.75%	0.97%	2.01%	2.47%		0.95%	
Long-term investments:								
Variable rate	$	$	$	$	$	$ 17	$ 17	$ 15
Average interest rate						0.68%	0.68%	
Total fixed income	$ 1,633	$ 150	$ 161	$ 40	$ 13	$ 17	$ 2,014	$ 2,021
Average interest rate	0.11%	0.75%	0.97%	2.01%	2.47%	0.68%	0.28%	
Debt								
Fixed rate	$ 3	$ 2	$	$ 335	$	$ 2,437	$ 2,777	2,860
Average interest rate	0.89%	0.90%		6.80%		6.12%	6.17%	

Foreign Currency Exchange Risk. We may enter into foreign currency forward exchange contracts to manage exposure related to certain foreign currency commitments and anticipated foreign currency denominated expenditures. Our policy prohibits us from entering into derivative financial instruments for speculative or trading purposes. During fiscal years 2013 and 2012, we did not enter into any hedges of net investments in foreign operations.

We also hedge a portion of our foreign currency denominated balance sheet positions with foreign currency forward exchange contracts to reduce the risk that our earnings will be adversely affected by changes in currency exchange rates. The changes in fair value of these hedges are recognized in earnings in the same period as the gains and losses from the remeasurement of the assets and liabilities. These foreign currency forward exchange contracts are not designated as hedging instruments under ASC 815, *Derivatives and Hedging.* All these forward contracts mature within 12 months.

We evaluate hedging effectiveness prospectively and retrospectively and record any ineffective portion of the hedging instruments in Costs of Revenue on the Consolidated Statements of Operations. We did not have any material net gains (losses) recognized in Costs of Revenue for cash flow hedges due to hedge ineffectiveness or discontinued cash flow hedges during fiscal years 2013 and 2012.

The table below provides information as of June 28, 2013 about our foreign currency forward exchange contracts. The table is provided in U.S. dollar equivalent amounts and presents the notional

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amounts (at the contract exchange rates) and the weighted average contractual foreign currency exchange rates.

(Dollars in millions, except average contract rate)	Notional Amount	Average Contract Rate	Estimated Fair Value[1]
Foreign currency forward exchange contracts:			
Thai baht	$ 20	29.59	$ (1)
Total	$ 20		$ (1)

(1) Equivalent to the unrealized net gain (loss) on existing contracts.

Other Market Risks. We have exposure to counterparty credit downgrades in the form of credit risk related to our foreign currency forward exchange contracts and our fixed income portfolio. We monitor and limit our credit exposure for our foreign currency forward exchange contracts by performing ongoing credit evaluations. We also manage the notional amount of contracts entered into with any one counterparty, and we maintain limits on maximum tenor of contracts based on the credit rating of the financial institutions. Additionally, the investment portfolio is diversified and structured to minimize credit risk. As of June 28, 2013, we had not have any counterparty credit exposure related to our foreign currency forward exchange contracts. Changes in our corporate issuer credit ratings have minimal impact on our financial results, but downgrades may negatively impact our future transaction costs and our ability to execute transactions with various counterparties.

We are subject to equity market risks due to changes in the fair value of the notional investments selected by our employees as part of our Seagate Deferred Compensation Plan (the "SDCP") and on certain strategic investments in equity of publicly traded companies. We currently manage our exposure to equity market risks associated with the SDCP liabilities by investing directly in mutual funds that mirror the employees' investment options.

As of June 28, 2013 we continued to hold auction rate securities with a par value of approximately $17 million, all of which are collateralized by student loans guaranteed by the Federal Family Education Loan Program. Beginning in the March 2008 quarter, these securities have continuously failed to settle at auction. As of June 28, 2013, the estimated fair value of these auction rate securities was $15 million. We believe that the impairments totaling $2 million are temporary as we do not intend to sell these securities and have concluded it is not more likely than not that we will be required to sell the securities before the recovery of the amortized cost basis. As such, the impairment was recorded in Other comprehensive income (loss) and these securities were classified as long-term investments.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

SEAGATE TECHNOLOGY PLC

CONSOLIDATED BALANCE SHEETS
(In millions, except share and per share data)

	June 28, 2013	June 29, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,708	$ 1,707
Short-term investments	480	411
Restricted cash and investments	101	93
Accounts receivable, net	1,670	2,319
Inventories	854	909
Deferred income taxes	115	104
Other current assets	484	767
Total current assets	5,412	6,310
Property, equipment and leasehold improvements, net	2,269	2,284
Goodwill	476	463
Other intangible assets	405	506
Deferred income taxes	456	396
Other assets, net	225	147
Total Assets	$ 9,243	$ 10,106
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 1,690	$ 2,286
Accrued employee compensation	335	344
Accrued warranty	176	235
Accrued expenses	407	531
Current portion of long-term debt	3	
Total current liabilities	2,611	3,396
Long-term accrued warranty	144	128
Long-term accrued income taxes	87	84
Other non-current liabilities	121	138
Long-term debt, less current portion	2,774	2,863
Total Liabilities	5,737	6,609
Commitments and contingencies (See Notes 14 and 15)		
Equity:		
Seagate Technology plc shareholders' equity:		
Preferred shares, $0.00001 par value per share 100 million authorized; no shares issued or outstanding		
Ordinary shares, $0.00001 par value per share 1,250 million authorized; 359,437,036 issued and outstanding at June 28, 2013 and 396,032,905 issued and outstanding at June 29, 2012		
Additional paid-in capital	5,286	4,950
Accumulated other comprehensive loss	(13)	(9)
Accumulated deficit	(1,778)	(1,444)
Total Seagate Technology plc Shareholders' Equity	3,495	3,497

Noncontrolling interest	11	
Total Equity	3,506	3,497
Total Liabilities and Equity	$ 9,243	$ 10,106

See notes to consolidated financial statements.

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SEAGATE TECHNOLOGY PLC

CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share data)

	Fiscal Years Ended		
	June 28, 2013	June 29, 2012	July 1, 2011
Revenue	$ 14,351	$ 14,939	$ 10,971
Cost of revenue	10,411	10,255	8,825
Product development	1,133	1,006	875
Marketing and administrative	635	528	445
Amortization of intangibles	79	38	2
Restructuring and other, net	2	4	18
Total operating expenses	12,260	11,831	10,165
Income from operations	2,091	3,108	806
Interest income	8	8	7
Interest expense	(214)	(241)	(214)
Other, net	(54)	7	(20)
Other expense, net	(260)	(226)	(227)
Income before income taxes	1,831	2,882	579
(Benefit from) provision for income taxes	(7)	20	68
Net income	1,838	2,862	511
Less: Net income attributable to noncontrolling interest			
Net income attributable to Seagate Technology plc	$ 1,838	$ 2,862	$ 511
Net income per share attributable to Seagate Technology plc ordinary shareholders:			
Basic	$ 4.97	$ 6.72	$ 1.13
Diluted	4.81	6.49	1.09
Number of shares used in per share calculations:			
Basic	370	426	451
Diluted	382	441	467
Cash dividends declared per Seagate Technology plc ordinary share	$ 1.40	$ 0.86	$ 0.18

See notes to consolidated financial statements.

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SEAGATE TECHNOLOGY PLC

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

	Fiscal Years Ended		
	June 28, 2013	June 29, 2012	July 1, 2011
Net Income	$ 1,838	$ 2,862	$ 511
Other comprehensive income (loss), net of tax:			
Cash flow hedges			
Change in net unrealized gain (loss) on cash flow hedges		(7)	39
Less: reclassification for amounts included in net income		5	(40)
Net change		(2)	(1)
Marketable securities			
Change in net unrealized gain (loss) on available-for-sale securities	21	(3)	(3)
Less: reclassification for amounts included in net income	(23)	4	3
Net change	(2)	1	
Post-retirement plans			
Change in unrealized loss on post-retirement plans	(3)	(3)	(1)
Less: reclassification for amounts included in net income		1	
Net change	(3)	(2)	(1)
Foreign currency translation adjustments	1		
Total other comprehensive loss, net of tax	(4)	(3)	(2)
Comprehensive income	1,834	2,859	509
Less: Comprehensive income attributable to noncontrolling interest	1		
Comprehensive income attributable to Seagate Technology plc	$ 1,833	$ 2,859	$ 509

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SEAGATE TECHNOLOGY PLC

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Fiscal Years Ended		
	June 28, 2013	June 29, 2012	July 1, 2011
OPERATING ACTIVITIES			
Net income	$ 1,838	$ 2,862	$ 511
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	873	814	754
Share-based compensation	76	51	51
Loss on redemption and repurchase of debt	141	17	26
Gain on sale of investments	(61)	(12)	
Gain on sale of property and equipment	(36)	(25)	(23)
Deferred income taxes	(70)	(28)	46
Other non-cash operating activities, net	12	7	15
Changes in operating assets and liabilities:			
Accounts receivable, net	661	(824)	(95)
Inventories	102	99	(115)
Accounts payable	(538)	157	386
Accrued employee compensation	(14)	145	(64)
Accrued expenses, income taxes and warranty	(170)	54	(28)
Vendor non-trade receivables	272	(82)	(168)
Other assets and liabilities	(39)	27	(32)
Net cash provided by operating activities	3,047	3,262	1,264
INVESTING ACTIVITIES			
Acquisition of property, equipment and leasehold improvements	(786)	(636)	(843)
Proceeds from the sale of property and equipment	29	20	77
Purchases of short-term investments	(351)	(454)	(487)
Sales of short-term investments	296	397	159
Maturities of short-term investments	38	119	101
Cash used in acquisition of LaCie S.A., net of cash acquired	(36)		
Cash used in acquisition of Samsung HDD assets and liabilities		(561)	
Other investing activities, net	(15)	1	12
Net cash used in investing activities	(825)	(1,114)	(981)
FINANCING ACTIVITIES			
Net proceeds from issuance of long-term debt	986		1,324
Repayments of long-term debt and capital lease obligations	(1,224)	(670)	(377)
Repurchases of ordinary shares	(1,654)	(2,426)	(822)
Dividends to shareholders	(518)	(372)	(74)
Proceeds from issuance of ordinary shares under employee stock plans	259	344	83
Escrow deposit for acquisition of noncontrolling shares of LaCie S.A.	(72)		
Other financing activities, net	1	6	(3)
Net cash (used in) provided by financing activities	(2,222)	(3,118)	131
Effect of foreign currency exchange rate changes on cash and cash equivalents	1		

Increase (decrease) in cash and cash equivalents	1	(970)	414
Cash and cash equivalents at the beginning of the year	1,707	2,677	2,263
Cash and cash equivalents at the end of the year	$ 1,708	$ 1,707	$ 2,677
Supplemental Disclosure of Cash Flow Information			
Cash paid for interest	$ 219	$ 221	$ 193
Cash paid for income taxes, net of refunds	$ 48	$ 8	$ 18

See notes to consolidated financial statements.

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SEAGATE TECHNOLOGY PLC

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

For Fiscal Years Ended June 28, 2013, June 29, 2012 and July 1, 2011
(In millions)

		Seagate Technology plc Ordinary Shareholders						
	Total Equity	Number of Ordinary Shares	Par Value of Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total	Noncontrolling Interest
Balance at July 2, 2010	$ 2,724	470	$	$ 3,851	$ (4)	$ (1,123)	$ 2,724	$
Net income	511					511	511	
Other comprehensive loss	(2)				(2)		(2)	
Issuance of ordinary shares under employee stock plans	83	12		83			83	
Repurchases of ordinary shares	(822)	(57)				(822)	(822)	
Dividends to shareholders	(77)					(77)	(77)	
Share-based compensation	51			51			51	
Tax benefit from exercise of stock options	2			2			2	
Adjustment to equity component of convertible debt upon redemption	(7)			(7)			(7)	
Balance at July 1, 2011	2,463	425		3,980	(6)	(1,511)	2,463	
Net income	2,862					2,862	2,862	
Other comprehensive loss	(3)				(3)		(3)	
Issuance of ordinary shares under employee stock plans	344	27		344			344	
Repurchases of ordinary shares	(2,426)	(101)				(2,426)	(2,426)	
Dividends to shareholders	(369)					(369)	(369)	
Share-based compensation	51			51			51	
Issuance of ordinary shares, in connection with the acquisition of Samsung HDD assets and liabilities	569	45		569			569	
Tax benefit from exercise of stock options	6			6			6	
Balance at June 29, 2012	3,497	396		4,950	(9)	(1,444)	3,497	
Net income	1,838					1,838	1,838	
Other comprehensive loss	(4)				(5)		(5)	1
Issuance of ordinary shares under employee stock plans	259	17		259			259	
Repurchases of ordinary shares	(1,654)	(54)				(1,654)	(1,654)	
Dividends to shareholders	(518)					(518)	(518)	
Share-based compensation	76			76			76	
Acquisition of majority shares of LaCie S.A.	72							72
Purchase of additional subsidiary shares from noncontrolling interest	(61)				1		1	(62)
Tax benefit from exercise of stock options	1			1			1	
Balance at June 28, 2013	$ 3,506	359	$	$ 5,286	$ (13)	$ (1,778)	$ 3,495	$ 11

See notes to consolidated financial statements.

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SEAGATE TECHNOLOGY PLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation and Summary of Significant Accounting Policies

Organization

The Company is a leading provider of data storage products. Its principal products are hard disk drives, commonly referred to as disk drives, hard drives or HDDs. Hard disk drives are devices that store digitally encoded data on rapidly rotating disks with magnetic surfaces. Disk drives are used as the primary medium for storing electronic data.

The Company produces a broad range of electronic data storage products addressing enterprise applications, where its products are designed for enterprise servers, mainframes and workstations; client compute applications, where its products are designed for desktop and notebook computers; and client non-compute applications, where its products are designed for a wide variety of end user devices such as digital video recorders (DVRs), gaming consoles, personal data backup systems, portable external storage systems and digital media systems. The Company sells its products primarily to major original equipment manufacturers (OEMs), distributors and retailers. In addition to manufacturing and selling disk drives, the Company provides storage services for small- to medium-sized businesses, including online backup, data protection and recovery solutions.

Basis of Presentation and Consolidation

The consolidated financial statements include the accounts of the Company and all its wholly-owned and majority-owned subsidiaries, after elimination of intercompany transactions and balances.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States also requires management to make estimates and assumptions that affect the amounts reported in the Company's consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates. The methods, estimates and judgments the Company uses in applying its most critical accounting policies have a significant impact on the results the Company reports in its consolidated financial statements. The consolidated financial statements reflect, in the opinion of management, all material adjustments necessary to present fairly the consolidated financial position, results of operations, cash flows and shareholders' equity for the periods presented.

The Company operates and reports financial results on a fiscal year of 52 or 53 weeks ending on the Friday closest to June 30. Accordingly, fiscal years 2013, 2012 and 2011 were comprised of 52 weeks and ended on June 28, 2013, June 29, 2012, and July 1, 2011, respectively. All references to years in the Notes to Consolidated Financial Statements represent fiscal years unless otherwise noted.

Summary of Significant Accounting Policies

Cash, Cash Equivalents and Short-Term Investments. The Company considers all highly liquid investments with a remaining maturity of 90 days or less at the time of purchase to be cash equivalents. Cash equivalents are carried at cost, which approximates fair value. The Company's short-term investments are primarily comprised of readily marketable debt securities with remaining maturities of more than 90 days at the time of purchase. With the exception of restricted cash and investments, held for its non-qualified deferred compensation plan, which are classified as trading securities, the Company has classified its entire investment portfolio as available-for-sale and it is stated at fair value with unrealized gains and losses included in Accumulated other comprehensive loss, which is a component of Shareholders' Equity. The Company evaluates the available-for sale securities in an unrealized loss position for other-than-temporary impairment. The amortized cost of debt securities is adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization and accretion are

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SEAGATE TECHNOLOGY PLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

included in interest income. Realized gains and losses are included in Other, net. The cost of securities sold is based on the specific identification method.

Restricted Cash and Investments. Restricted cash and investments represents cash and cash equivalents and investments that are restricted as to withdrawal or use for other than current operations.

Allowances for Doubtful Accounts. The Company maintains an allowance for uncollectible accounts receivable based upon expected collectability. This reserve is established based upon historical trends, global macroeconomic conditions and an analysis of specific exposures. The provision for doubtful accounts is recorded as a charge to Marketing and administrative expense.

Inventory. Inventories are valued at the lower of cost (using the first-in, first-out method) or market. Market value is based upon an estimated average selling price reduced by estimated cost of completion and disposal.

Property, Equipment and Leasehold Improvements. Property, equipment and leasehold improvements are stated at cost. Equipment and buildings are depreciated using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized using the straight-line method over the shorter of the estimated life of the asset or the remaining term of the lease. The costs of additions and substantial improvements to property, equipment and leasehold improvements, which extend the economic life of the underlying assets, are capitalized. The cost of maintenance and repairs to property, equipment and leasehold improvements is expensed as incurred.

Assessment of Goodwill and Other Long-lived Assets for Impairment. The Company accounts for goodwill in accordance with Accounting Standards Codification (ASC) Topic 350 (ASC 350), *Intangibles Goodwill and Other.* During fiscal year 2012, the Company adopted ASU No. 2011-08, *Intangibles Goodwill and Other (ASC Topic 350) Testing Goodwill for Impairment.* The Company performs a qualitative assessment at the end of each reporting period to determine if any events or circumstances exist, such as an adverse change in business climate or a decline in the overall industry that would indicate that it would more likely than not reduce the fair value of a reporting unit below its carrying amount, including goodwill.

The Company tests other long-lived assets, including property, equipment and leasehold improvements and other intangible assets subject to amortization, for recoverability whenever events or changes in circumstances indicate that the carrying value of those assets may not be recoverable. The Company performs a recoverability test to assess the recoverability of an asset group. If the recoverability test indicates that the carrying value of the asset group is not recoverable, the Company will estimate the fair value of the asset group and the excess of the carrying value over the fair value is allocated pro rata to derive the adjusted carrying value of assets in the asset group. The adjusted carrying value of each asset in the asset group is not reduced below its fair value.

In July 2012, the Company early adopted ASU No. 2012-02, *Intangibles Goodwill and Other (ASC Topic 350) Testing Indefinite-Lived Intangible Assets for Impairment.* The Company tests other intangible assets not subject to amortization whenever events occur or circumstances change, such as declining financial performance, deterioration in the environment in which the entity operates or deteriorating macroeconomic conditions that have a negative effect on future expected earnings and cash flows that could affect significant inputs used to determine the fair value of the indefinite-lived intangible asset.

Derivative Financial Instruments. The Company applies the requirements of ASC Topic 815 (ASC 815), *Derivatives and Hedging.* ASC 815 requires that all derivatives be recorded on the balance sheet at fair value and establishes criteria for designation and effectiveness of hedging relationships.

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SEAGATE TECHNOLOGY PLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Establishment of Warranty Accruals. The Company estimates probable product warranty costs at the time revenue is recognized. The Company generally warrants its products for a period of 1 to 5 years. The Company's warranty provision considers estimated product failure rates and trends (including the timing of product returns during the warranty periods), and estimated repair or replacement costs related to product quality issues, if any. The Company also exercises judgment in estimating its ability to sell certain repaired disk drives. Should actual experience in any future period differ significantly from its estimates, the Company's future results of operations could be materially affected.

Revenue Recognition, Sales Returns and Allowances, and Sales Incentive Programs. The Company's revenue recognition policy complies with ASC Topic 605 (ASC 605), *Revenue Recognition.* Revenue from sales of products, including sales to distribution customers, is generally recognized when title and risk of loss has passed to the buyer, which typically occurs upon shipment from the Company or third party warehouse facilities, persuasive evidence of an arrangement exists, including a fixed or determinable price to the buyer, and when collectability is reasonably assured. Revenue from sales of products to certain direct retail customers and to customers in certain indirect retail channels is recognized on a sell-through basis.

The Company records estimated product returns at the time of shipment. The Company also estimates reductions to revenue for sales incentive programs, such as price protection, and volume incentives, and records such reductions when revenue is recorded. The Company establishes certain distributor and OEM sales programs aimed at increasing customer demand. For OEM sales, rebates are typically based on an OEM customer's volume of purchases from Seagate or other agreed upon rebate programs. For the distribution channel, these programs typically involve rebates related to a distributor's level of sales, order size, advertising or point of sale activity and price protection adjustments. The Company provides for these obligations at the time that revenue is recorded based on estimated requirements. Marketing development programs are either recorded as a reduction to revenue or as an addition to marketing expense depending on the contractual nature of the program.

Shipping and Handling. The Company includes costs related to shipping and handling in Cost of revenue for all periods presented.

Restructuring Costs. The Company records restructuring activities including costs for one-time termination benefits in accordance with ASC Topic 420 (ASC 420), *Exit or Disposal Cost Obligations.* The timing of recognition for severance costs accounted for under ASC 420 depends on whether employees are required to render service until they are terminated in order to receive the termination benefits. If employees are required to render service until they are terminated in order to receive the termination benefits, a liability is recognized ratably over the future service period. Otherwise, a liability is recognized when management has committed to a restructuring plan and has communicated those actions to employees. Employee termination benefits covered by existing benefit arrangements are recorded in accordance with ASC Topic 712, *Non-retirement Postemployment Benefits.* These costs are recognized when management has committed to a restructuring plan and the severance costs are probable and estimable.

Advertising Expense. The cost of advertising is expensed as incurred. Advertising costs were approximately $51 million, $39 million and $21 million in fiscal years 2013, 2012 and 2011, respectively.

Stock-Based Compensation. The Company accounts for stock-based compensation under the provisions of ASC Topic 718 (ASC 718), *Compensation Stock Compensation.* The Company has elected to apply the with-and-without method to assess the realization of excess tax benefits.

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SEAGATE TECHNOLOGY PLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Accounting for Income Taxes. The Company accounts for income taxes pursuant to ASC Topic 740 (ASC 740), *Income Taxes.* In applying ASC 740, the Company makes certain estimates and judgments in determining income tax expense for financial statement purposes. These estimates and judgments occur in the calculation of tax credits, recognition of income and deductions and calculation of specific tax assets and liabilities, which arise from differences in the timing of recognition of revenue and expense for tax and financial statement purposes, as well as tax liabilities associated with uncertain tax positions. The calculation of tax liabilities involves uncertainties in the application of complex tax rules and the potential for future adjustment of the Company's uncertain tax positions by the Internal Revenue Service or other tax jurisdictions. If estimates of these tax liabilities are greater or less than actual results, an additional tax benefit or provision will result. The deferred tax assets the Company records each period depend primarily on the Company's ability to generate future taxable income in the United States and certain non-U.S. jurisdictions. Each period, the Company evaluates the need for a valuation allowance for its deferred tax assets and, if necessary, adjusts the valuation allowance so that net deferred tax assets are recorded only to the extent the Company concludes it is more likely than not that these deferred tax assets will be realized. If the Company's outlook for future taxable income changes significantly, the Company's assessment of the need for a valuation allowance may also change.

Comprehensive Income. In the first quarter of fiscal 2013, we adopted the revised requirements of ASU No. 2011-05, *Comprehensive Income (Topic 220) Presentation of Comprehensive Income* to present comprehensive income in a separate statement. Comprehensive income is comprised of net income and other gains and losses affecting equity that are excluded from net income.

Foreign Currency Remeasurement and Translation. The U.S. dollar is the functional currency for the majority of the Company's foreign operations. Monetary assets and liabilities denominated in foreign currencies are remeasured into the functional currency of the subsidiary at the balance sheet date. The gains and losses from the remeasurement of foreign currency denominated balances into the functional currency of the subsidiary are included in Other, net of the Company's Consolidated Statements of Operations.

The Company translates the assets and liabilities of its non-U.S. dollar functional currency subsidiaries into U.S. dollars using exchange rates in effect at the end of each period. Revenue and expenses for these subsidiaries are translated using rates that approximate those in effect during the period. Gains and losses from these translations are recognized in foreign currency translation included in Accumulated other comprehensive loss in shareholders' equity. The Company's subsidiaries that use the U.S. dollar as their functional currency remeasure monetary assets and liabilities at exchange rates in effect at the end of each period, and inventories, property, and nonmonetary assets and liabilities at historical rates. Gains and losses from these remeasurements were not significant and have been included in the Company's results of operations.

Concentrations

Concentration of Credit Risk. The Company's customer base for disk drive products is concentrated with a small number of OEMs and distributors. The Company does not generally require collateral or other security to support accounts receivable. To reduce credit risk, the Company performs ongoing credit evaluations on its customers' financial condition. The Company establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of customers, historical trends and other information. Hewlett-Packard Company and Dell Inc. each accounted for more than 10% of the Company's accounts receivable as of June 28, 2013.

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SEAGATE TECHNOLOGY PLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash equivalents, short-term investments and foreign currency forward exchange contracts. The Company further mitigates concentrations of credit risk in its investments through diversification, by limiting its investments in the debt securities of a single issuer, and investing in highly rated securities.

In entering into foreign currency forward exchange contracts, the Company assumes the risk that might arise from the possible inability of counterparties to meet the terms of their contracts. The counterparties to these contracts are major multinational commercial banks, and the Company has not incurred and does not expect any losses as a result of counterparty defaults.

Supplier Concentration. Certain of the raw materials, components and equipment used by the Company in the manufacture of its products are available from a sole supplier or a limited number of suppliers. Shortages could occur in these essential materials and components due to an interruption of supply or increased demand in the industry. If the Company were unable to procure certain materials, components or equipment at acceptable prices, it would be required to reduce its manufacturing operations, which could have a material adverse effect on its results of operations. In addition, the Company has made prepayments to certain suppliers. Should these suppliers be unable to deliver on their obligations or experience financial difficulty, the Company may not be able to recover these prepayments.

Recent Accounting Pronouncements

In February 2013, the FASB issued ASU No. 2013-02, *Comprehensive Income (ASC Topic 220) Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income.* The ASU requires an entity to report information, either on the face of the statement where net income is presented or in the notes, about the amounts reclassified out of accumulated other comprehensive income by component and to report significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income. The ASU is effective for the Company's first quarter of fiscal year 2014. Other than requiring additional disclosures, the adoption of this new guidance will not have a material impact on the Company's consolidated financial statements.

In December 2011, the FASB issued ASU No. 2011-11, *Balance Sheet (ASC Topic 210) Disclosures about Offsetting Assets and Liabilities.* The ASU requires enhanced disclosures on offsetting, including disclosing gross and net information about instruments and transactions eligible for offset and instruments and transactions subject to an agreement similar to a master netting arrangement. The ASU is effective for the Company's first quarter of fiscal year 2014 and requires the enhanced disclosures for all comparative periods presented. Other than requiring additional disclosures, the adoption of this new guidance will not have a material impact on the Company's consolidated financial statements.

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SEAGATE TECHNOLOGY PLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Balance Sheet Information

Investments

The following table summarizes, by major type, the fair value and amortized cost of the Company's investments as of June 28, 2013:

(Dollars in millions)	Amortized Cost	Unrealized Gain/(Loss)	Fair Value
Available-for-sale securities:			
Money market funds	$ 804	$	$ 804
Commercial paper	655		655
Corporate bonds	211		211
U.S. treasuries and agency bonds	96		96
Certificates of deposit	154		154
Auction rate securities	17	(2)	15
Equity securities	4		4
Other debt securities	107	(1)	106
	2,048	(3)	2,045
Trading securities	74	5	79
Total	$ 2,122	$ 2	$ 2,124
Included in Cash and cash equivalents			$ 1,528
Included in Short-term investments			480
Included in Restricted cash and investments			101
Included in Other assets, net			15
Total			$ 2,124

The Company's available-for-sale securities include investments in auction rate securities. Beginning in fiscal year 2008, the Company's auction rate securities failed to settle at auction and have continued to fail through June 28, 2013. Since the Company continues to earn interest on its auction rate securities at the maximum contractual rate, there have been no payment defaults with respect to such securities, and they are all collateralized, the Company expects to recover the entire amortized cost basis of these auction rate securities. The Company does not intend to sell these securities and has concluded it is not more likely than not that the Company will be required to sell the securities before the recovery of their amortized cost basis. As such, the Company believes the impairments totaling $2 million are not other-than-temporary and therefore have been recorded in Accumulated other comprehensive loss. Given the uncertainty as to when the liquidity issues associated with these securities will improve, these securities were classified within Other assets, net in the Company's Consolidated Balance Sheets.

As of June 28, 2013, the Company's Restricted cash and investments consisted of $79 million in cash equivalents and investments held in trust for payment of its non-qualified deferred compensation plan liabilities and $22 million in cash and investments held as collateral at banks for various performance obligations. As of June 29, 2012, the Company's Restricted cash and investments consisted of $73 million in cash and investments held in trust for payment of its non-qualified deferred compensation plan liabilities and $20 million in cash and investments held as collateral at banks for various performance obligations.

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SEAGATE TECHNOLOGY PLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of June 28, 2013, the Company had no material available-for-sale securities that had been in a continuous unrealized loss position for a period greater than 12 months. The Company determined no material available-for-sale securities were other-than-temporarily impaired as of June 28, 2013.

The fair value and amortized cost of the Company's investments classified as available-for-sale at June 28, 2013 by remaining contractual maturity was as follows:

(Dollars in millions)	Amortized Cost	Fair Value
Due in less than 1 year	$ 1,628	$ 1,628
Due in 1 to 5 years	399	398
Thereafter	17	15
Total	$ 2,044	$ 2,041

Equity securities which do not have a contractual maturity date are not included in the above table.

The following table summarizes, by major type, the fair value and amortized cost of the Company's investments as of June 29, 2012:

(Dollars in millions)	Amortized Cost	Unrealized Gain/(Loss)	Fair Value
Available-for-sale securities:			
Commercial paper	$ 393	$	$ 393
Money market funds	1,158		1,158
U.S. treasuries and agency bonds	98	1	99
Certificates of deposit	6		6
Corporate bonds	208	1	209
Auction rate securities	17	(2)	15
Other debt securities	99	(1)	98
	1,979	(1)	1,978
Trading securities	73		73
Total	$ 2,052	$ (1)	$ 2,051
Included in Cash and cash equivalents			$ 1,532
Included in Short-term investments			411
Included in Restricted cash and investments			93
Included in Other assets, net			15
Total			$ 2,051

As of June 29, 2012, with the exception of the Company's auction rate securities, the Company had no material available-for-sale securities that had been in a continuous unrealized loss position for a period greater than 12 months. The Company determined no material available-for-sale securities were other-than-temporarily impaired as of June 29, 2012.

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SEAGATE TECHNOLOGY PLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Accounts Receivable, net

(Dollars in millions)	June 28, 2013	June 29, 2012
Accounts receivable	$ 1,678	$ 2,329
Allowance for doubtful accounts	(8)	(10)
	$ 1,670	$ 2,319

Activity in the allowance for doubtful accounts is as follows:

(Dollars in millions)	Balance at Beginning of Period	Charges to Operations	Deductions[1]	Assumed from LaCie S.A.	Balance at End of Period
Fiscal year ended July 1, 2011	$ 10	$ 1	$ (1)	$	$ 10
Fiscal year ended June 29, 2012	$ 10	$ 3	$ (3)	$	$ 10
Fiscal year ended June 28, 2013	$ 10	$ (2)	$ (1)	$ 1	$ 8

(1) Uncollectible accounts written off, net of recoveries.

Inventories

(Dollars in millions)	June 28, 2013	June 29, 2012
Raw materials and components	$ 213	$ 265
Work-in-process	231	245
Finished goods	410	399
	$ 854	$ 909

Other Current Assets

(Dollars in millions)	June 28, 2013	June 29, 2012
Vendor non-trade receivables	$ 329	$ 601
Other	155	166
	$ 484	$ 767

Other current assets include non-trade receivables from certain manufacturing vendors resulting from the sale of components to these vendors who manufacture completed sub-assemblies or finished goods for the Company. The Company does not reflect the sale of these components in revenue and does not recognize any profits on these sales. The costs of the completed sub-assemblies are included in inventory upon purchase from the vendors.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Property, Equipment and Leasehold Improvements, net

(Dollars in millions)	Useful Life in Years	June 28, 2013	June 29, 2012
Land and land improvements		$ 44	$ 29
Equipment	3 5	6,838	6,495
Buildings and leasehold improvements	Up to 48	1,401	1,233
Construction in progress		261	263
		8,544	8,020
Less accumulated depreciation and amortization		(6,275)	(5,736)
		$ 2,269	$ 2,284

Depreciation expense, which includes amortization of leasehold improvements, was $727 million, $739 million and $748 million for fiscal years 2013, 2012, and 2011, respectively. Interest on borrowings related to eligible capital expenditures is capitalized as part of the cost of the qualified assets and amortized over the estimated useful lives of the assets. During fiscal years 2013, 2012, and 2011, the Company capitalized interest of $10 million, $4 million and $5 million, respectively.

3. Acquisitions

LaCie S.A.

On August 3, 2012 the Company acquired 23,382,904 (or approximately 64.5%) of the outstanding shares of LaCie S.A. ("LaCie") for a price of €4.05 per share with a price supplement of €0.12 per share, which would have been payable if the Company had successfully acquired at least 95% of the outstanding shares of LaCie within 6 months of the acquisition. Of the amount paid at the acquisition date, €9 million is treated as compensation cost to one of the selling shareholders, who is now an employee of the Company, to be recognized over a period of 36 months from the acquisition date, and may be refunded to the Company if the selling shareholder is no longer employed at the end of that period. The transaction and related agreements are expected to accelerate the Company's growth strategy in the expanding consumer storage market, particularly in Europe, Japan and in premium distribution channels.

The acquisition-date fair value of the consideration transferred for the business combination totaled $111 million, including cash paid of $107 million, and contingent consideration of $4 million.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table summarizes the estimated fair values of the assets acquired, liabilities assumed, and noncontrolling interest at the acquisition date (in millions):

Cash and cash equivalents	$ 71
Accounts receivable	29
Marketable securities	27
Inventories	46
Other current and non-current assets	19
Property, plant and equipment	12
Intangible assets	45
Goodwill	13
Total assets	262
Accounts payable and accrued expenses	(73)
Current and non-current portion of long-term debt	(6)
Total liabilities	(79)
Noncontrolling interest	(72)
Total	$ 111

The following table shows the fair value of the separately identifiable intangible assets at the time of acquisition and the period over which each intangible asset will be amortized:

(Dollars in millions)	Fair Value	Weighted-Average Amortization Period
Customer relationships	$ 31	5.0 years
Existing technology	1	5.0 years
Trade name	13	5.0 years
Total acquired identifiable intangible assets	$ 45	

Since the acquisition date, the Company recorded adjustments to the fair value of certain assets acquired and liabilities assumed with LaCie S.A. that resulted in a net increase of $1 million to Goodwill, and a corresponding decrease in Intangible assets.

The goodwill recognized is attributable primarily to the benefits the Company expects to derive from LaCie's brand recognition and the acquired workforce, and is not deductible for income tax purposes. The acquisition date fair value of the noncontrolling interest is based on the market price of their publicly traded shares as of the first trading date subsequent to the acquisition, as the shares did not trade on the acquisition date.

The Company incurred $1 million of expenses related to the acquisition of LaCie during fiscal year 2013, which are included within Marketing and administrative expense on the Consolidated Statement of Operations. Additionally, the €0.12 supplement was not paid as only 94.5% of the LaCie business was acquired within six months of the acquisition date, resulting in a reversal of the contingent consideration liability which was recorded as a reduction of Marketing and administrative expenses of $4 million.

The amounts of revenue and earnings of LaCie included in the Company's Consolidated Statement of Operations from the acquisition date are not significant.

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The Company deposited $72 million into an escrow account with the intention of acquiring the remaining publicly held shares of LaCie through public and private transactions. As of June 28, 2013, a total of $61 million of the Company's deposit had been used to acquire an additional 30% of the outstanding shares, resulting in an ending ownership interest of approximately 94.5%. The use of this deposit is treated as a non-cash financing activity and excluded from the Statement of Cash Flows.

Samsung Hard Disk Drive Operations

On December 19, 2011, the Company completed the acquisition of Samsung Electronics Co., Ltd's ("Samsung") hard disk drive business pursuant to an Asset Purchase Agreement ("APA") by which the Company acquired certain assets and liabilities of Samsung relating to the research and development, manufacture and sale of hard-disk drives. The transaction and related agreements are expected to improve the Company's position as a supplier of 2.5-inch products; position the Company to better address rapidly evolving opportunities in markets including, but not limited to, mobile computing, cloud computing and solid state storage; expand the Company's customer access in China and Southeast Asia; and accelerate time to market for new products.

The acquisition-date fair value of the consideration transferred totaled $1,140 million, which consisted of $571 million of cash, $10 million of which was paid as a deposit upon signing the APA in the fourth quarter of fiscal year 2011, and 45.2 million ordinary shares with a fair value of $569 million. The fair value of the ordinary shares issued was determined based on the closing market price of the Company's ordinary shares on the acquisition date, less a 16.5% discount for lack of marketability as the shares issued are subject to a restriction that limits their trade or transfer for approximately a one year period.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date (in millions):

Inventories	$ 141
Equipment	76
Intangible assets	580
Other assets	28
Total identifiable assets acquired	825
Warranty liability	(72)
Other liabilities	(45)
Total liabilities assumed	(117)
Net identifiable assets acquired	708
Goodwill	432
Net assets acquired	$ 1,140

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table shows the fair value of the separately identifiable intangible assets at the time of acquisition and the period over which each intangible asset will be amortized:

(Dollars in millions)	Fair Value	Weighted-Average Amortization Period
Existing technology	$ 137	2.0 years
Customer relationships	399	5.8 years
Total amortizable intangible assets acquired	536	4.8 years
In-process research and development	44	
Total acquired identifiable intangible assets	$ 580	

During fiscal year 2012, the Company recorded adjustments to the fair value of certain assets acquired and liabilities assumed with the Samsung HDD business that resulted in a net decrease of $5 million to goodwill. These adjustments included a $7 million increase in other assets for spare parts and a $3 million increase to equipment, offset by a $3 million increase in warranty liability and a $2 million increase in other liabilities related to certain assumed vendor obligations. These adjustments were based on information about facts and circumstances that existed at the acquisition date.

The $432 million of goodwill recognized is attributable primarily to the benefits the Company expects to derive from enhanced scale and efficiency to better serve its markets and expanded customer presence in China and Southeast Asia. Except for approximately $4 million of goodwill relating to assembled workforce in Korea, none of the goodwill is expected to be deductible for income tax purposes.

The Company incurred a total of $22 million of expenses related to the acquisition of Samsung in fiscal year 2012, which are included within Marketing and administrative expense on the Consolidated Statement of Operations.

The amounts of revenue and earnings of the acquired assets of Samsung's HDD business included in the Company's Consolidated Statement of Operations from the acquisition date to the period ended June 29, 2012, were as follows:

(Dollars in millions)	
Revenue	$ 970
Net income	$ 104

The unaudited pro forma financial results presented below for fiscal years ended June 29, 2012 and July 1, 2011, include the effects of pro forma adjustments as if the acquisition date occurred as of the beginning of the prior fiscal year on July 3, 2010. The pro forma results combine the historical results of the Company for the fiscal years ended June 29, 2012 and July 1, 2011, respectively, and the historical results of the acquired assets and liabilities of Samsung's HDD business, and include the effects of certain fair value adjustments and the elimination of certain activities excluded from the transaction. The pro forma financial information is presented for informational purposes only and is not necessarily indicative

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of the results of operations that would have been achieved if the acquisition had taken place at the beginning of the earliest period presented, nor is it intended to be a projection of future results.

	Fiscal Years Ended	
(Dollars in millions)	June 29, 2012	July 1, 2011
Revenue	$ 16,113	$ 13,853
Net income	$ 2,761	$ 370

The pro forma results for the fiscal years ended June 29, 2012 and July 1, 2011, include adjustments of $65 million and $115 million, respectively, to reflect the additional depreciation and amortization that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had been applied on July 3, 2010.

4. Goodwill and Other Long-lived Assets

Goodwill

The changes in the carrying amount of goodwill are as follows:

(Dollars in millions)	
Balance as of July 1, 2011	$ 31
Goodwill acquired	432
Balance as of June 29, 2012	463
Goodwill acquired	13
Balance as of June 28, 2013	$ 476

Other Intangible Assets

Other intangible assets consist primarily of existing technology, customer relationships and in-process research and development acquired in business combinations. With the exception of in-process research and development, acquired intangibles are amortized on a straight-line basis over the respective estimated useful lives of the assets. Amortization of the existing technology intangible asset is charged to Cost of revenue while the amortization of the other intangible assets is included in Operating expenses in the Consolidated Statements of Operations. In-process research and development has been determined to have an indefinite useful life and is not amortized, but instead tested for impairment annually or more frequently if events or changes in circumstance indicate that the asset might be impaired. If the carrying amount of in-process research and development exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. There were no impairment charges recognized for in-process research and development. Upon completion of the in-process research and development, the related assets will be accounted for as a finite-lived intangible asset, and will be amortized over its useful life.

In fiscal years 2013, 2012 and 2011, amortization expense for other intangible assets was $147 million, $75 million and $6 million, respectively.

The carrying value of other intangible assets subject to amortization as of June 28, 2013, is set forth in the following table:

(Dollars in millions)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Remaining Useful Life
Existing technology	$ 138	$ (105)	$ 33	0.5 years
Customer relationships	431	(114)	317	4.3 years
Trade name	14	(3)	11	4.1 years

Total amortizable other intangible assets	$ 583	$ (222)	$ 361	3.9 years

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The carrying value of other intangible assets subject to amortization as of June 29, 2012 is set forth in the following table:

(Dollars in millions)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Remaining Useful Life
Existing technology	$ 137	$ (37)	$ 100	1.5 years
Customer relationships	399	(37)	362	5.2 years
Total amortizable other intangible assets	$ 536	$ (74)	$ 462	4.4 years

The carrying value of In-process research and development was $44 million and $44 million as of June 28, 2013 and June 29, 2012, respectively.

As of June 28, 2013, expected amortization expense for other intangible assets for each of the next five years and thereafter is as follows:

(Dollars in millions)	
2014	$ 112
2015	80
2016	73
2017	68
2018	28
Thereafter	
	$ 361

5. Restructuring and Exit Costs

During fiscal years 2013 and 2012, the Company recorded restructuring charges of $2 million and $4 million, respectively, comprised primarily of charges related to post-employment costs associated with a number of small restructuring plans. During fiscal year 2011, the Company recorded restructuring and other charges of $18 million, mainly comprised of charges related to the closure of its Ang Mo Kio (AMK) manufacturing operations in Singapore (the "AMK Plan") and costs associated with the closure of facilities previously announced. The Company's significant restructuring plans are described below. All restructuring charges are reported in Restructuring and other, net on the Consolidated Statements of Operations.

2010 Plan. From the inception of the Company's restructuring plan announced in fiscal year 2010 as a result of the ongoing focus on cost efficiencies in all areas of its business, the Company recorded a total of $4 million related to employee termination costs. The 2010 Plan was completed during the fiscal year ended July 1, 2011.

AMK Plan. In August 2009, the Company announced that it will close its AMK manufacturing operations in Singapore. Operations at this facility had ceased as of the third quarter of fiscal year 2011. The hard drive manufacturing operations have been relocated to other existing Seagate facilities and the Company's Asia International Headquarters remains in Singapore. This closure and relocation is part of the Company's ongoing focus on cost efficiencies in all areas of its business and is intended to facilitate leveraging manufacturing investments across fewer sites. The Company currently estimates total restructuring charges of approximately $50 million, all in cash, including approximately $41 million for post-employment benefits, approximately $6 million for the relocation of manufacturing equipment, and

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

approximately $3 million for other plant closure and relocation costs. From the inception of the plan the Company has recorded $48 million in restructuring charges. During fiscal year 2013, there were no cash payments or other settlements under the AMK Plan and no restructuring charges related to the plan during fiscal year 2013. Payments under the AMK plan are expected to continue through fiscal year 2015.

Other Restructuring and Exit Costs. Through June 28, 2013, the Company has recorded restructuring charges of approximately $123 million, net of adjustments, related to the previously announced closures of its Pittsburgh, Pennsylvania and Milpitas, California facilities, and also has recorded certain exit costs aggregating to $270 million related to its acquisition of Maxtor. These plans are currently expected to result in total charges of approximately $400 million. During fiscal year 2013, the Company incurred restructuring charges of $1 million in post-employment benefits, $1 million in facility lease obligations and $1 million in other exit costs primarily related to the closures of its Pittsburgh, Pennsylvania and Milpitas, California facilities and to other smaller restructuring plans. In addition, the Company recorded an adjustment to reduce the reserves related to facility lease obligations in the amount of $1 million and recorded cash payments and other settlements of $10 million related to these plans during fiscal year 2013. Restructuring activity relating to the Milpitas, California facility was completed during the fiscal year ended June 28, 2013. Payment of these exit costs relating to the Pittsburgh, Pennsylvania facility and other smaller restructuring plans are expected to continue through the end of fiscal year 2017.

The following table summarizes the Company's restructuring activities for fiscal years 2013, 2012 and 2011:

(Dollars in millions)	Post-Employment Benefits	Operating Leases	Other Exit Costs	Total
All Restructuring Activities				
Accrual balances at July 2, 2010	$ 38	$ 46	$	$ 84
Restructuring charges	3	4	8	15
Cash payments and other settlements	(36)	(19)	(8)	(63)
Adjustments	3			3
Accrual balances at July 1, 2011	8	31		39
Restructuring charges	3		2	5
Cash payments and other settlements	(8)	(8)	(2)	(18)
Adjustments		(1)		(1)
Accrual balances at June 29, 2012	3	22		25
Restructuring charges	1	1	1	3
Cash payments and other settlements	(2)	(7)	(1)	(10)
Adjustments		(1)		(1)
Accrual balances at June 28, 2013	$ 2	$ 15	$	$ 17

Of the accrued restructuring balance of approximately $17 million at June 28, 2013, $6 million is included in Accrued expenses and $11 million is included in Other non-current liabilities in the Company's Consolidated Balance Sheet. Of the accrued restructuring balance of approximately $25 million at June 29, 2012, $9 million is included in Accrued expenses and $16 million is included in Other non-current liabilities in the Company's Consolidated Balance Sheet.

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6. Debt

Short-Term Borrowings

On January 18, 2011, the Company, and its subsidiary Seagate HDD Cayman entered into a Credit Agreement which provided for a $350 million senior secured revolving credit facility (the "Revolving Credit Facility"). On April 30, 2013, the Company and Seagate HDD Cayman entered into the Second Amendment to the Credit Agreement which increased the commitments available under the Revolving Credit Facility from $350 million to $500 million. The Company and certain of its material subsidiaries fully and unconditionally guarantee the Revolving Credit Facility. The Revolving Credit Facility matures in April 2018, and is available for cash borrowings and for the issuance of letters of credit up to a sub-limit of $75 million. As of June 28, 2013, no borrowings have been drawn under the Revolving Credit Facility, and $2 million had been utilized for letters of credit. The line of credit is available for borrowings, subject to compliance with financial covenants and other customary conditions to borrowing. The credit agreement that governs the Revolving Credit Facility contains certain covenants that the Company must satisfy in order to remain in compliance with the credit agreement, including three financial covenants: (1) minimum amount of cash, cash equivalents and marketable securities; (2) a fixed charge coverage ratio; and (3) a net leverage ratio. As of June 28, 2013, the Company was in compliance with all covenants, including the financial ratio that it is required to maintain.

Long-Term Debt

$430 million Aggregate Principal Amount of 10.00% Senior Secured Second-Priority Notes due May 2014 (the "2014 Notes"). On May 1, 2009, the Company's subsidiary, Seagate Technology International, completed the sale of $430 million aggregate principal amount of the 2014 Notes, in a private placement exempt from the registration requirements of the Securities Act of 1933, as amended.

On March 15, 2013, the Company gave notice that it elected to redeem all of the remaining outstanding 2014 Notes on May 1, 2013. Also on March 15, 2013, the Company irrevocably deposited with the Trustee of the 2014 Notes cash equal to the principal amount of the outstanding notes, a redemption premium, plus accrued and unpaid interest through May 1, 2013, for a total of $351 million, which released the Company from its obligations under the 2014 Notes and extinguished the associated liability. During fiscal years 2013, 2012 and 2011, the Company repurchased $320 million, $96 million and $14 million, aggregate principal amount of its 2014 Notes, respectively, for cash at a premium to their principal amount, plus accrued and unpaid interest. During 2013, 2012 and 2011, the Company recorded a loss on the repurchases of approximately $22 million, $17 million and $2 million, respectively, which are included in Other, net in the Company's Consolidated Statements of Operations.

$600 million Aggregate Principal Amount of 6.8% Senior Notes due October 2016 (the "2016 Notes"). On September 20, 2006, the Company's subsidiary, Seagate Technology HDD Holdings, completed the sale of $600 million aggregate principal amount of the 2016 Notes, in a private placement exempt from the registration requirements of the Securities Act of 1933, as amended. The interest on the 2016 Notes is payable semi-annually on April 1 and October 1 of each year. The issuer under the 2016 notes is Seagate Technology HDD Cayman, and the obligations under the 2016 Notes are unconditionally guaranteed by certain of the Company's significant subsidiaries. The 2016 Notes are redeemable at the option of the Company in whole or in part, on not less than 30, nor more than 60 days notice, at a "make-whole" premium redemption price. The "make-whole" redemption price will be equal to the greater of (1) 100% of the principal amount of the notes being redeemed, or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the 2016 Notes being redeemed, discounted at the redemption date on a semi-annual basis at a rate equal to the sum of the applicable Treasury rate plus 50

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basis points. During fiscal year 2013, the Company repurchased $265 million aggregate principal amount of its 2016 Notes for cash at a premium to their principal amount, plus accrued and unpaid interest, and recorded a loss on the repurchase of approximately $44 million, which is included in Other, net in the Company's Consolidated Statements of Operations.

$750 million Aggregate Principal Amount of 7.75% Senior Notes due December 2018 (the "2018 Notes"). On December 14, 2010, the Company's subsidiary, Seagate HDD Cayman, completed the sale of $750 million aggregate principal amount of the 2018 Notes in a private placement exempt from the registration requirements of the Securities Act of 1933, as amended. The obligations under the 2018 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by the Company. The interest on the 2018 Notes is payable semi-annually on June 15 and December 15 of each year. The 2018 Notes are redeemable at any time prior to December 15, 2014 at the option of the Company, in whole or in part, at a redemption price of 100% of the principal amount plus an "applicable premium" and accrued and unpaid interest, if any, to the redemption date. The "applicable premium" will be equal to the greater of (1) 1% of the principal amount of the 2018 Notes, or (2) the excess, if any, of (a) the present value of the redemption price on December 15, 2014 plus interest payments due through December 15, 2014, discounted at the applicable Treasury rate as of the redemption date plus 50 basis points; over (b) the principal amount of such note. The 2018 Notes are redeemable at any time on or after December 15, 2014 at various prices expressed as a percentage of the principal amount, as set forth in the indentures, plus accrued and unpaid interest, if any, to the redemption date. In addition, any time before December 15, 2013, the Company may redeem up to 35% of the principal amount with the net cash proceeds from permitted sales of the Company's stock at a redemption price of 107.75% of the principal amount plus accrued interest to the redemption date. During fiscal year 2013, the Company repurchased $513 million aggregate principal amount of its 2018 Notes for cash at a premium to their principal amount, plus accrued and unpaid interest. The Company recorded a loss on the repurchase of approximately $75 million for the fiscal year 2013, which is included in Other, net in the Company's Consolidated Statements of Operations.

$600 million Aggregate Principal Amount of 6.875% Senior Notes due May 2020 (the "2020 Notes"). On May 13, 2010, the Company's subsidiary, Seagate HDD Cayman, completed the sale of $600 million aggregate principal amount of the 2020 Notes, in a private placement exempt from the registration requirements of the Securities Act of 1933, as amended. The obligations under the 2020 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by the Company. The interest on the 2020 Notes is payable semi-annually on May 1 and November 1 of each year. The 2020 Notes are redeemable any time prior to May 1, 2015 at the option of the Company, in whole or in part, at a redemption price of 100% of the principal amount plus an "applicable premium" and accrued and unpaid interest, if any, to the redemption date. The "applicable premium" will be equal to the greater of (1) 1% of the principal amount of the 2020 Notes, or (2) the excess, if any, of (a) the present value of the redemption price on May 1, 2015 plus interest payments due through May 1, 2015, discounted at the applicable Treasury rate as of the redemption date plus 50 basis points; over (b) the principal amount of such note. The 2020 Notes are redeemable at any time on or after May 1, 2015 at various prices expressed as a percentage of the principal amount, as set forth in the indentures, plus accrued and unpaid interest, if any, to the redemption date.

$600 million Aggregate Principal Amount of 7.00% Senior Notes due November 2021 (the "2021 Notes"). On May 18, 2011, the Company's subsidiary, Seagate HDD Cayman, completed the sale of $600 million aggregate principal amount of the 2021 Notes, in a private placement exempt from the registration requirements of the Securities Act of 1933, as amended. The obligations under the 2021 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by the Company. The interest on the 2021 Notes is payable semi-annually on January 1 and July 1 of each year. The 2021 Notes are redeemable any time prior to May 1, 2016 at the option of the Company, in whole or in part, at a redemption price of 100%

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

of the principal amount plus an "applicable premium" and accrued and unpaid interest, if any, to the redemption date. The "applicable premium" will be equal to the greater of (1) 1% of the principal amount of the 2021 Notes, or (2) the excess, if any, of (a) the present value of the redemption price on May 1, 2016 plus interest payments due through May 1, 2016, discounted at the applicable Treasury rate as of the redemption date plus 50 basis points; over (b) the principal amount of such note. The 2021 Notes are redeemable at any time on or after May 1, 2016 at various prices expressed as a percentage of principal amount, as set forth in the indentures, plus accrued and unpaid interest, if any, to the redemption date. In addition, any time before May 2, 2014, the Company may redeem up to 35% of the principal amount with the net cash proceeds from permitted sales of the Company's stock at a redemption price of 107% of the principal amount plus accrued interest to the redemption date.

$1 billion Aggregate Principal Amount of 4.75% Senior Notes due June 1, 2023 (the "2023 Notes"). On May 22, 2013, Seagate HDD Cayman, issued $1 billion in aggregate principal amount of 4.75% Senior Notes, which mature on June 1, 2023, in a private placement with a requirement that if, under certain circumstances, the 2023 Notes have not otherwise become freely transferable by May 26, 2014, then the Company is required to register the 2023 Notes under the Securities Act of 1933, as amended. The interest on the 2023 Notes is payable semi-annually on June 1 and December 1 of each year. The 2023 Notes are redeemable at the option of the Company in whole or in part, on not less than 30, nor more than 60 days notice, at a "make-whole" premium redemption price. The "make-whole" redemption price will be equal to the greater of (1) 100% of the principal amount of the notes being redeemed, or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the 2023 Notes being redeemed, discounted at the redemption date on a semi-annual basis at a rate equal to the sum of the applicable Treasury rate plus 50 basis points. Accrued and unpaid interest, if any, will be paid to, but excluding, the redemption date.

Other As part of our acquisition of LaCie S.A. during fiscal year 2013, long-term debt of $6 million was acquired. As of June 28, 2013, $3 million is classified as current.

At June 28, 2013, future principal payments on long-term debt were as follows (in millions):

Fiscal Year	
2014	$ 3
2015	1
2016	
2017	335
2018	
Thereafter	2,438
	$ 2,777

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SEAGATE TECHNOLOGY PLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Income Taxes

The provision for (benefit from) income taxes consisted of the following:

	Fiscal Years Ended		
(Dollars in millions)	**June 28, 2013**	**June 29, 2012**	**July 1, 2011**
Current tax expense (benefit):			
U.S. Federal	$ 3	$	$ (6)
U.S. State	10	(2)	
Non-U.S.	50	50	28
Total Current	63	48	22
Deferred tax expense (benefit):			
U.S. Federal	(49)	(30)	23
U.S. State	(1)	2	3
Non-U.S.	(20)		20
Total Deferred	(70)	(28)	46
Provision for (benefit from) income taxes	$ (7)	$ 20	$ 68

Income before income taxes consisted of the following:

	Fiscal Years Ended		
(Dollars in millions)	**June 28, 2013**	**June 29, 2012**	**July 1, 2011**
U.S.	$ 175	$ 137	$ 100
Non-U.S	1,656	2,745	479
	$ 1,831	$ 2,882	$ 579

During the fiscal year ended June 28, 2013, the American Taxpayer Relief Act of 2012 (ATRA 2012) was enacted on January 2, 2013. ATRA 2012 retroactively reinstated and extended the federal Research and Development Tax Credit (R&D Credit) from January 1, 2012 to December 31, 2013 as well as bonus depreciation on qualified property. Extension of the R&D Credit and bonus depreciation has no immediate impact on the Company's income tax provision due to existing valuation allowances on its U.S. deferred tax assets. None of the other ATRA 2012 changes are expected to have a material impact on the Company's income tax provision.

The Company recorded $1 million, $6 million and $2 million of excess tax benefits associated with stock option deductions in fiscal years 2013, 2012 and 2011, respectively.

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Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The significant components of the Company's deferred tax assets and liabilities were as follows:

(Dollars in millions)	Fiscal Years Ended June 28, 2013	June 29, 2012
Deferred tax assets		
Accrued warranty	$ 112	$ 116
Inventory valuation accounts	55	68
Receivable reserves	13	18
Accrued compensation and benefits	107	117
Depreciation	125	112
Restructuring accruals	5	8
Other accruals and deferred items	44	45
Net operating losses and tax credit carry-forwards	1,103	1,074
Other assets	6	8
Total Deferred tax assets	1,570	1,566
Valuation allowance	(989)	(1,064)
Net Deferred tax assets	581	502
Deferred tax liabilities		
Unremitted earnings of certain non-U.S. entities	(14)	(11)
Acquisition-Related Items (DTL)	(9)	
Other Liabilities	(4)	(1)
Total Deferred tax liabilities	(27)	(12)
Total Deferred tax assets	$ 554	$ 490
As Reported on the Balance Sheet		
Current assets Deferred income taxes	$ 115	$ 104
Non-current assets Deferred income taxes	456	396
Current liabilities Accrued expenses	(2)	
Other non-current liabilities	(15)	(10)
Total Deferred income taxes	$ 554	$ 490

The deferred tax asset valuation allowance decreased by approximately $75 million, $82 million and $18 million, in fiscal years 2013, 2012 and 2011, respectively.

At June 28, 2013, the Company recorded $554 million of net deferred tax assets. The realization of these deferred tax assets is primarily dependent on the Company's ability to generate sufficient U.S. and certain non-U.S. taxable income in future periods. Although realization is not assured, the Company's management believes that it is more likely than not that these deferred tax assets will be realized. The amount of deferred tax assets considered realizable, however, may increase or decrease in subsequent periods when the Company reevaluates the underlying basis for its estimates of future U.S. and certain non-U.S. taxable income.

At June 28, 2013, the Company had U.S. federal, state and non-U.S. tax net operating loss carryforwards of approximately $2.8 billion, $1.8 billion and $564 million, respectively, which will expire at

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

various dates beginning in fiscal year 2014, if not utilized. At June 28, 2013, the Company had U.S. federal and state tax credit carryforwards of $341 million and $74 million, respectively, which will expire at various dates beginning in fiscal year 2014, if not utilized.

As of June 28, 2013, the use of approximately $358 million and $90 million of the Company's total U.S. net operating loss and tax credit carryforwards, respectively, is subject to an aggregate annual limitation of $45 million pursuant to U.S. tax law.

For purposes of the tax reconciliation between the provision for income taxes at the statutory rate and the effective tax rate, the Irish statutory rate of 25% was applied as follows:

	Fiscal Years Ended		
(Dollars in millions)	June 28, 2013	June 29, 2012	July 1, 2011
Provision (benefit) at statutory rate	$ 458	$ 720	$ 145
Net U.S. state income tax provision	12	(2)	2
Permanent differences	3	1	
Valuation allowance	(97)	(70)	(18)
Non-U.S. losses with no tax benefits	27	1	7
Non-U.S. earnings taxed at less than statutory rate	(414)	(645)	(102)
Tax expense related to intercompany transactions		6	26
Other individually immaterial items	4	9	8
Provision for (benefit from) income taxes	$ (7)	$ 20	$ 68

A substantial portion of the Company's operations in Malaysia, Singapore, and Thailand operate under various tax holidays and tax incentive programs, which expire in whole or in part at various dates through 2020. Certain of the tax holidays may be extended if specific conditions are met. The net impact of these tax holidays and tax incentive programs was to increase the Company's net income by approximately $338 million in fiscal year 2013 ($0.89 per share, diluted), to increase the Company's net income by approximately $504 million in fiscal year 2012 ($1.14 per share, diluted), and to increase the Company's net income by $117 million in fiscal year 2011 ($0.25 per share, diluted).

Since establishing Irish tax residency in fiscal year 2010, the Company consists of an Irish tax resident parent holding company with various U.S. and non-U.S. subsidiaries that operate in multiple non-Irish taxing jurisdictions. The amount of temporary differences (including undistributed earnings) related to outside basis differences in the stock of non-Irish resident subsidiaries considered indefinitely reinvested outside of Ireland for which Irish income taxes have not been provided as of June 28, 2013 was approximately $3.5 billion. If such amount were remitted to Ireland as a dividend, it is likely that tax at 25% or approximately $875 million would result.

As of June 28, 2013 and June 29, 2012, the Company had approximately $157 million and $135 million, respectively, of unrecognized tax benefits excluding interest and penalties. The amount of unrecognized tax benefits, if recognized, that would impact the effective tax rate is $157 million and $135 million as of June 28, 2013 and June 29, 2012, respectively, subject to certain future valuation allowance reversals.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table summarizes the activity related to the Company's gross unrecognized tax benefits:

	Fiscal Years Ended		
(Dollars in millions)	**June 28, 2013**	**June 29, 2012**	**July 1, 2011**
Balance of unrecognized tax benefits at the beginning of the year	$ 135	$ 128	$ 115
Gross increase for tax positions of prior years	14	1	30
Gross decrease for tax positions of prior years	(4)	(3)	(24)
Gross increase for tax positions of current year	16	13	13
Gross decrease for tax positions of current year			
Settlements			
Lapse of statutes of limitation	(5)	(3)	(10)
Non-U.S. exchange (gain)/loss	1	(1)	4
Balance of unrecognized tax benefits at the end of the year	$ 157	$ 135	$ 128

It is the Company's policy to include interest and penalties related to unrecognized tax benefits in the provision for taxes on the Consolidated Statements of Operations. During fiscal year 2013, the Company recognized a net tax expense for interest and penalties of $2 million as compared to a net tax expense for interest and penalties of $2 million and less than $1 million during fiscal year 2012 and fiscal year 2011, respectively. As of June 28, 2013, the Company had $19 million of accrued interest and penalties related to unrecognized tax benefits compared to $17 million in fiscal year 2012.

During the 12 months beginning June 29, 2013, the Company expects to reduce its unrecognized tax benefits by approximately $3 million as a result of the expiration of certain statutes of limitation. The Company does not believe it is reasonably possible that other unrecognized tax benefits will materially change in the next 12 months.

The Company is subject to taxation in many jurisdictions globally and is required to file U.S. federal, U.S. state and non-U.S. income tax returns. In February, 2013, the Company and the IRS reached a settlement on all issues related to fiscal years ending in 2005 through 2007. Settlement of the issues in this period has no material impact on the Company's financial statements. The Company is no longer subject to tax examination of US federal income tax returns for years prior to fiscal year 2008. With respect to U.S. state and non-U.S. income tax returns, the Company is generally no longer subject to tax examinations for years ending prior to fiscal year 2004.

8. Derivative Financial Instruments

The Company is exposed to foreign currency exchange rate, interest rate, and to a lesser extent, equity price risks relating to its ongoing business operations. The Company enters into foreign currency forward exchange contracts in order to manage the foreign currency exchange rate risk on forecasted expenses denominated in foreign currencies and to mitigate the remeasurement risk of certain foreign currency denominated liabilities. The Company's accounting policies for these instruments are based on whether the instruments are classified as designated or non-designated hedging instruments. The Company records all derivatives in the Consolidated Balance Sheets at fair value. The effective portions of designated cash flow hedges are recorded in Accumulated other comprehensive loss until the hedged item is recognized in earnings. Derivatives that are not designated as hedging instruments and the ineffective portions of cash flow hedges are adjusted to fair value through earnings. The amount of net unrealized gains (losses) on cash flow hedges were not material as of June 28, 2013 and June 29, 2012.

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SEAGATE TECHNOLOGY PLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company dedesignates its cash flow hedges when the forecasted hedged transactions are realized or it is probable the forecasted hedged transactions will not occur in the initially identified time period. At such time, the associated gains and losses deferred in Accumulated other comprehensive loss are reclassified immediately into earnings and any subsequent changes in the fair value of such derivative instruments are immediately reflected in earnings. The Company did not recognize any material net gains or losses related to the loss of hedge designation on discontinued cash flow hedges during fiscal years 2013, 2012, and 2011. As of June 28, 2013, the Company's existing foreign currency forward exchange contracts mature within 12 months. The deferred amount currently recorded in Accumulated other comprehensive loss expected to be recognized into earnings over the next 12 months is not material.

The following tables show the total notional value of the Company's outstanding foreign currency forward exchange contracts as of June 28, 2013 and June 29, 2012:

	As of June 28, 2013	
(Dollars in millions)	Contracts Designated as Hedges	Contracts Not Designated as Hedges
Thai baht	$	$ 20
Singapore dollars		
Chinese renminbi		
Czech koruna		
	$	$ 20

	As of June 29, 2012	
(Dollars in millions)	Contracts Designated as Hedges	Contracts Not Designated as Hedges
Thai baht	$	$ 252
Singapore dollars	50	21
Chinese renminbi	27	
Czech koruna		7
	$ 77	$ 280

The following tables show the Company's derivative instruments measured at gross fair value as reflected in the Consolidated Balance Sheets as of June 28, 2013 and June 29, 2012:

	As of June 28, 2013			
	Asset Derivatives		Liability Derivatives	
(Dollars in millions)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Foreign currency forward exchange contracts	Other current assets	$	Accrued expenses	$
Derivatives not designated as hedging instruments:				
Foreign currency forward exchange contracts	Other current assets		Accrued expenses	(1)
Total derivatives		$		$ (1)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	As of June 29, 2012			
	Asset Derivatives		Liability Derivatives	
(Dollars in millions)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Foreign currency forward exchange contracts	Other current assets	$	Accrued expenses	$
Derivatives not designated as hedging instruments:				
Foreign currency forward exchange contracts	Other current assets	1	Accrued expenses	(2)
Total derivatives		$ 1		$ (2)

The following tables show the effect of the Company's derivative instruments on the Consolidated Statement of Comprehensive Income and the Consolidated Statements of Operations for the fiscal year ended June 28, 2013:

(Dollars in millions) Derivatives Designated as Cash Flow Hedges	Amount of Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)	Location of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Location of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain or (Loss) Recognized in Income (Ineffective Portion and Amount Excluded from Effectiveness Testing)
Foreign currency forward exchange contracts	$	Cost of revenue	$	Cost of revenue	$

Derivatives Not Designated as Hedging Instruments	Location of Gain or (Loss) Recognized in Income on Derivative	Amount of Gain or (Loss) Recognized in Income on Derivative
Foreign currency forward exchange contracts	Other, net	$ 3

The following tables show the effect of the Company's derivative instruments on the Consolidated Statement of Comprehensive Income and the Consolidated Statements of Operations for the fiscal year ended June 29, 2012:

(Dollars in millions) Derivatives Designated as Cash Flow Hedges	Amount of Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)	Location of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Location of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain or (Loss) Recognized in Income (Ineffective Portion and Amount Excluded from Effectiveness

							Testing)[a]
Foreign currency forward exchange contracts	$	(7)	Cost of revenue	$	(5)	Cost of revenue	$

Derivatives Not Designated as Hedging Instruments	**Location of Gain or (Loss) Recognized in Income on Derivative**	**Amount of Gain or (Loss) Recognized in Income on Derivative**
Foreign currency forward exchange contracts	Other, net	$ (6)

(a) The amount of gain or (loss) recognized in income represents $0 related to the ineffective portion of the hedging relationships and $0 million related to the amount excluded from the assessment of hedge effectiveness, for the fiscal year ended June 29, 2012.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Fair Value

Measurement of Fair Value

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

Fair Value Hierarchy

A fair value hierarchy is based on whether the market participant assumptions used in determining fair value are obtained from independent sources (observable inputs) or reflects the Company's own assumptions of market participant valuation (unobservable inputs). A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices for identical assets and liabilities in markets that are inactive; quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly; or

Level 3 Prices or valuations that require inputs that are both unobservable and significant to the fair value measurement.

The Company considers an active market to be one in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis, and views an inactive market as one in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers. Where appropriate the Company's or the counterparty's non-performance risk is considered in determining the fair values of liabilities and assets, respectively.

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SEAGATE TECHNOLOGY PLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Items Measured at Fair Value on a Recurring Basis

The following table presents the Company's assets and liabilities that are measured at fair value on a recurring basis, excluding accrued interest components, as of June 28, 2013:

	Fair Value Measurements at Reporting Date Using			
(Dollars in millions)	**Quoted Prices in Active Markets for Identical Instruments (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Balance**
Assets:				
Money market funds	$ 787	$	$	$ 787
Commercial paper		655		655
U.S. treasuries and agency bonds		96		96
Certificates of deposit		149		149
Corporate bonds		211		211
Other debt securities		106		106
Equity securities	4			4
Total cash equivalents and short-term investments	791	1,217		2,008
Restricted cash and investments:				
Mutual Funds	74			74
Other debt securities	22	5		27
Auction rate securities			15	15
Derivative assets				
Total assets	$ 887	$ 1,222	$ 15	$ 2,124
Liabilities:				
Derivative liabilities	$	$ (1)	$	$ (1)
Total liabilities	$	$ (1)	$	$ (1)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Fair Value Measurements at Reporting Date Using			
(Dollars in millions)	**Quoted Prices in Active Markets for Identical Instruments (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Balance**
Assets:				
Cash and cash equivalents	$ 787	$ 741	$	$ 1,528
Short-term investments	4	476		480
Restricted cash and investments	96	5		101
Other current assets				
Other assets, net			15	15
Total assets	$ 887	$ 1,222	$ 15	$ 2,124
Liabilities:				
Accrued expenses	$	$ (1)	$	$ (1)
Total liabilities	$	$ (1)	$	$ (1)

The following table presents the Company's assets and liabilities that are measured at fair value on a recurring basis, excluding accrued interest components, as of June 29, 2012:

	Fair Value Measurements at Reporting Date Using			
(Dollars in millions)	**Quoted Prices in Active Markets for Identical Instruments (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Balance**
Assets:				
Money market funds	$ 1,140	$	$	$ 1,140
Commercial paper		393		393
U.S. treasuries and agency bonds		99		99
Certificates of deposit		4		4
Corporate bonds		209		209
Other debt securities		99		99
Total cash equivalents and short-term investments	1,140	804		1,944
Restricted Cash and Investments:				
Mutual Funds	66			66
Other debt securities	25	2		27
Auction rate securities			15	15
Derivative assets		2		2
Total Assets	$ 1,231	$ 808	$ 15	$ 2,054

Liabilities:				
Derivative liabilities	$	$ (2)	$	$ (2)
Total Liabilities	$	$ (2)	$	$ (2)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Fair Value Measurements at Reporting Date Using			
(Dollars in millions)	**Quoted Prices in Active Markets for Identical Instruments (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Balance**
Assets:				
Cash and cash equivalents	$ 1,140	$ 393	$	$ 1,533
Short-term investments		411		411
Restricted cash and investments	91	2		93
Other current assets		2		2
Other assets, net			15	15
Total Assets	$ 1,231	$ 808	$ 15	$ 2,054
Liabilities:				
Accrued expenses	$	$ (2)	$	$ (2)
Total Liabilities	$	$ (2)	$	$ (2)

The Company classifies items in Level 1 if the financial assets consist of securities for which quoted prices are available in an active market.

The Company classifies items in Level 2 if the financial asset or liability is valued using observable inputs. The Company uses observable inputs including quoted prices in active markets for similar assets or liabilities. Level 2 assets include: agency bonds, corporate bonds, commercial paper, municipal bonds, and U.S. Treasuries. These debt investments are priced using observable inputs and valuation models which vary by asset class. The Company uses a pricing service to assist in determining the fair values of all of its cash equivalents and short-term investments. For the cash equivalents and short-term investments in the Company's portfolio, multiple pricing sources are generally available. The pricing service uses inputs from multiple industry standard data providers or other third party sources and various methodologies, such as weighting and models, to determine the appropriate price at the measurement date. The Company corroborates the prices obtained from the pricing service against other independent sources and, as of June 28, 2013, has not found it necessary to make any adjustments to the prices obtained. The Company's derivative financial instruments are also classified within Level 2. The Company's derivative financial instruments consist of foreign currency forward exchange contracts. The Company recognizes derivative financial instruments in its consolidated financial statements at fair value. The Company determines the fair value of these instruments by considering the estimated amount it would pay or receive to terminate these agreements at the reporting date.

The Company's Level 3 assets consist of auction rate securities with a par value of $17 million, all of which are collateralized by student loans guaranteed by the Federal Family Education Loan Program. Beginning in fiscal year 2008, these securities failed to settle at auction and have continued to fail through June 28, 2013. Since there is no active market for these securities, the Company valued them using a discounted cash flow model. The valuation model is based on the income approach and reflects both observable and significant unobservable inputs.

The Company's auction rate securities are measured at fair value on a recurring basis, excluding accrued interest components, using significant unobservable inputs (Level 3). The fair value of the Company's auction rate securities for the fiscal years ended June 28, 2013 and June 29, 2012 totaled $15 million and $15 million, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Items Measured at Fair Value on a Non-Recurring Basis

The Company enters into certain strategic investments for the promotion of business and strategic objectives. Strategic investments in equity securities where the Company does not have the ability to exercise significant influence over the investees, included in Other assets, net in the Consolidated Balance Sheets, are recorded at cost and are periodically analyzed to determine whether or not there are indicators of impairment. The carrying value of the Company's strategic investments at June 28, 2013 and June 29, 2012 totaled $66 million and $40 million, respectively, and consisted primarily of privately held equity securities without a readily determinable fair value.

During the fiscal years 2013, 2012 and 2011, the Company determined that certain of its equity investments accounted for under the cost method were other-than-temporarily impaired, and recognized charges of $5 million, $7 million and $5 million, respectively, in order to write down the carrying amount of the investment to its estimated fair value. These amounts were recorded in Other, net in the Consolidated Statements of Operations. Since there was no active market for the equity securities of the investee, the Company estimated fair value of the investee by using the market approach, which was then used to estimate the applicable portion of the fair value of its underlying intellectual property assets.

Other Fair Value Disclosures

The Company's debt is carried at amortized cost. The fair value of the Company's debt is derived using the closing price as of the date of valuation, which takes into account the yield curve, interest rates, and other observable inputs. Accordingly, these fair value measurements are categorized as Level 2. The following table presents the fair value and amortized cost of the Company's debt in order of maturity:

	June 28, 2013		June 29, 2012	
(Dollars in millions)	**Carrying Amount**	**Estimated Fair Value**	**Carrying Amount**	**Estimated Fair Value**
10.0% Senior Secured Second-Priority Notes due May 2014	$	$	$ 314	$ 359
6.8% Senior Notes due October 2016	335	370	599	662
7.75% Senior Notes due December 2018	238	259	750	836
6.875% Senior Notes due May 2020	600	644	600	639
7.00% Senior Notes due November 2021	600	645	600	650
4.75% Senior Notes due June 2023	1,000	938		
Other	4	4		
	2,777	2,860	2,863	3,146
Less short-term borrowings and current portion of long-term debt	(3)	(3)		
Long-term debt, less current portion	$ 2,774	$ 2,857	$ 2,863	$ 3,146

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SEAGATE TECHNOLOGY PLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Shareholders' Equity

Share Capital

The Company's authorized share capital is $13,500 and consists of 1,250,000,000 ordinary shares, par value $0.00001, of which 359,437,036 shares were outstanding as of June 28, 2013, and 100,000,000 preferred shares, par value $0.00001, of which none were issued or outstanding as of June 28, 2013.

Ordinary shares Holders of ordinary shares are entitled to receive dividends when and as declared by the Company's board of directors (the "Board of Directors"). Upon any liquidation, dissolution, or winding up of the Company, after required payments are made to holders of preferred shares, any remaining assets of the Company will be distributed ratably to holders of the preferred and ordinary shares. Holders of shares are entitled to one vote per share on all matters upon which the ordinary shares are entitled to vote, including the election of directors.

Preferred shares The Company may issue preferred shares in one or more series, up to the authorized amount, without shareholder approval. The Board of Directors is authorized to establish from time to time the number of shares to be included in each series, and to fix the rights, preferences and privileges of the shares of each wholly unissued series and any of its qualifications, limitations or restrictions. The Board of Directors can also increase or decrease the number of shares of a series, but not below the number of shares of that series then outstanding, without any further vote or action by the shareholders.

The Board of Directors may authorize the issuance of preferred shares with voting or conversion rights that could harm the voting power or other rights of the holders of the ordinary shares. The issuance of preferred shares, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of the Company and might harm the market price of its ordinary shares and the voting and other rights of the holders of ordinary shares.

Repurchases of Equity Securities

On February 1, 2010, the Company announced that its Board of Directors authorized an Anti-Dilution Share Repurchase Program (the "January 2010 Anti-Dilution Share Repurchase Program"). The repurchase program authorizes the Company to repurchase its ordinary shares to offset increases in diluted shares, such as those caused by employee stock plans and convertible debt, used in the determination of diluted net income per share. There was no minimum or maximum number of shares to be repurchased. On April 26, 2012, the Board of Directors authorized the Company to terminate the January 2010 Anti-Dilution Share Repurchase Program, which was so terminated effective April 26, 2012.

On November 29, 2010, the Company's Board of Directors authorized repurchases of up to an additional $2 billion of the Company's outstanding ordinary shares.

On January 25, 2012, the Board of Directors authorized the Company to repurchase an additional $1 billion of its outstanding ordinary shares.

On April 26, 2012, the Board of Directors authorized the Company to repurchase an additional $2.5 billion of its outstanding ordinary shares.

All repurchases are effected as redemptions in accordance with the Company's Articles of Association.

As of June 28, 2013, $0.9 billion remained available for repurchase under the existing repurchase authorization limit.

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SEAGATE TECHNOLOGY PLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table sets forth information with respect to repurchases of the Company's ordinary shares during fiscal year 2013, 2012 and 2011:

(In millions)	Number of Shares Repurchased	Dollar Value of Shares Repurchased
Cumulative repurchased as of July 2, 2010	32	$ 584
Repurchased in fiscal year 2011	57(1)	822(1)
Cumulative repurchased through July 1, 2011	89	1,406
Repurchased in fiscal year 2012	101(2)	2,426(2)
Cumulative repurchased through June 29, 2012	190	3,832
Repurchased in fiscal year 2013	54	1,654
Cumulative repurchased through June 28, 2013	244	$ 5,486

(1) Represents repurchases under the January 2010 Anti-Dilution Share Repurchase Program.

(2) Includes 21 million shares of repurchases or $305 million under the January 2010 Anti-Dilution Share Repurchase Program.

11. Compensation

Stock-Based Compensation Plans

The Company's stock-based compensation plans have been established to promote the Company's long-term growth and financial success by providing incentives to its employees, directors, and consultants through grants of share-based awards. The provisions of the Company's stock-based benefit plans, which allow for the grant of various types of equity-based awards, are also intended to provide greater flexibility to maintain the Company's competitive ability to attract, retain and motivate participants for the benefit of the Company and its shareholders.

Seagate Technology plc 2012 Equity Incentive Plan (the "EIP"). On October 26, 2011, the shareholders approved the EIP and authorized the issuance of up to a total of 27,000,000 ordinary shares, par value $0.0001 per share, plus any shares remaining available for grant under the Seagate Technology plc 2004 Share Compensation Plan (the "SCP") as of the effective date of the EIP (which was equal to 11,041,148 ordinary shares as of the effective date of the EIP and which will increase by such additional number of shares as will be returned to the share reserve in respect of awards previously granted under the SCP) (together, the "Share Reserve"). Any shares that are subject to options or share appreciation rights granted under the EIP will be counted against the Share Reserve as one share for every one share granted, and any shares that are subject to restricted share bonus awards, restricted share units, performance share bonus awards or performance share awards (collectively, "Full-Value Share Awards") will generally be counted against the Share Reserve as two and one-tenth shares for every one share granted. As of June 28, 2013, there were approximately 28.3 million ordinary shares available for issuance under the EIP.

Seagate Technology plc 2004 Share Compensation Plan (the "SCP"). A maximum of 63.5 million ordinary shares were issuable under the SCP, including 10 million authorized for issuance of share awards and restricted units. On November 4, 2011, the Company filed Post-Effective Amendment No. 1 to deregister 11,041,148 ordinary shares that remained available for grant as of October 27, 2011 under the SCP and no shares have been granted from the SCP subsequent to that date.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Seagate Technology plc Stock Purchase Plan (the "ESPP"). There are 50 million ordinary shares authorized to be issued under the ESPP. In no event shall the total number of shares issued under the ESPP exceed 75 million ordinary shares. The ESPP consists of a six-month offering period with a maximum issuance of 1.5 million ordinary shares per offering period. The ESPP permits eligible employees to purchase ordinary shares through payroll deductions generally at 85% of the fair market value of the ordinary shares. As of June 28, 2013 there were approximately 12 million ordinary shares available for issuance under the ESPP.

i365, Inc. 2010 Equity Incentive Plan (the "i365 Plan"). In October 2010, i365, Inc. ("i365"), a wholly owned subsidiary of the Company, adopted the i365, Inc. 2010 Equity Incentive Plan (the "i365 Plan"). A maximum of 5 million shares of i365's common stock are issuable under the i365 Plan. Options granted to employees generally vest as follows: 25% of the options on the first anniversary of the vesting commencement date and the remaining 75% proportionately each month over the next 36 months. Options expire ten years from the date of grant. The compensation expense associated with options granted to date under the i365 Plan is not material for fiscal year 2013 or 2012.

Equity Awards

Full-Value Share Awards (e.g. restricted share units) generally vest over a period of three to four years, with cliff vesting of a portion of each award occurring annually. Options generally vest as follows: 25% of the options will vest on the first anniversary of the vesting commencement date and the remaining 75% will vest ratably each month thereafter over the next 36 months. Options granted under the EIP and SCP have an exercise price equal to the closing price of the Company's ordinary shares on date of grant.

The Company granted performance awards to its senior executive officers under the SCP and the EIP where vesting is subject to both the continued employment of the participant by the Company and the achievement of certain performance goals established by the Compensation Committee of the Company's Board of Directors, including market based performance goals. A single award represents the right to receive a single ordinary share of the Company. During fiscal year 2013, 2012 and 2011, the Company granted 0.7 million, 0.6 million and 0.3 million performance awards, respectively, where performance is measured based on a three-year average return on invested capital (ROIC) goal and a relative total shareholder return (TSR) goal, which is based on the Company's ordinary shares measured against a benchmark TSR of a peer group over the same three-year period (the "TSR/ROIC" awards). These awards vest after the end of the performance period of 3 years from the grant date. A percentage of these units may vest only if at least the minimum ROIC goal is met regardless of whether the TSR goal is met. The number of stock units to vest will range from 0% to 200% of the targeted units. In evaluating the fair value of these units, the Company used a Monte Carlo simulation on the grant date, taking the market-based TSR goal into consideration. Compensation expense related to these units is only recorded in a period if it is probable that the ROIC goal will be met, and it is to be recorded at the expected level of achievement.

The Company also granted 0.3 million, 0.6 million and 0.2 million performance awards during fiscal years 2013, 2012 and 2011 respectively, to its senior executive officers which are subject to a performance goal related to the Company's adjusted earnings per share (the "AEPS" awards). These awards have a maximum seven-year vesting period, with 25% annual vesting starting on the first anniversary of the grant date. If the performance goal is not achieved, vesting is delayed to a following year in which the AEPS goal is achieved. Any unvested awards from prior years may vest cumulatively in a future year within the seven-year vesting period if the annual AEPS goal is achieved during a subsequent year. If the AEPS goal has not been met by the end of the seven year period, any unvested shares will be forfeited.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

During fiscal year 2013, the Company granted 0.2 million performance-based options and 0.1 million performance-based restricted share units to its CEO which are based on the attainment of a minimum 40% TSR (the "40% TSR" awards). The 40% TSR awards cliff vest after three years, contingent upon continued service and the attainment of a minimum 40% TSR, inclusive of dividends and share price appreciation, over a three-year performance period, which TSR must be sustained for a minimum of 30 consecutive trading days.

Determining Fair Value of Seagate Technology Stock Plans

Valuation and amortization method The Company estimates the fair value of stock options granted using the Black-Scholes-Merton valuation model and a single option award approach. This fair value is then amortized on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period or the remaining service (vesting) period.

Expected Term Expected term represents the period that the Company's stock-based awards are expected to be outstanding and was determined based on historical experience of similar awards, giving consideration to the contractual terms of the stock-based awards, vesting schedules and expectations of future employee behavior as influenced by changes to the terms of its stock-based awards.

Expected Volatility The Company uses a combination of the implied volatility of its traded options and historical volatility of its share price.

Expected Dividend The Black-Scholes-Merton valuation model calls for a single expected dividend yield as an input. The dividend yield is determined by dividing the expected per share dividend during the coming year by the grant date share price. The expected dividend assumption is based on the Company's current expectations about its anticipated dividend policy. Also, because the expected dividend yield should reflect marketplace participants' expectations, the Company does not incorporate changes in dividends anticipated by management unless those changes have been communicated to or otherwise are anticipated by marketplace participants.

Risk-Free Interest Rate The Company bases the risk-free interest rate used in the Black-Scholes-Merton valuation model on the implied yield currently available on U.S. Treasury zero-coupon issues with an equivalent remaining term. Where the expected term of the Company's stock-based awards do not correspond with the terms for which interest rates are quoted, the Company performed a straight-line interpolation to determine the rate from the available term maturities.

Fair Value The fair value of the Company's nonvested awards and performance awards subject to an AEPS condition for fiscal years 2013, 2012, and 2011, is the price of the Company's shares on the grant date. The weighted average grant date fair value of awards granted are as follows:

	Fiscal Years		
	2013	2012	2011
Nonvested awards:			
Weighted-average fair value	$ 30.26	$ 13.14	$ 11.61
Performance awards:			
Weighted-average fair value	$ 30.01	$ 11.16	$ 13.63

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The fair value of the Company's shares related to options granted to employees, shares issued from the ESPP and performance awards subject to TSR/ROIC conditions for fiscal years 2013, 2012, and 2011 were estimated using the following assumptions:

	Fiscal Years		
	2013	**2012**	**2011**
Options			
Expected term (in years)	4.2	4.2	4.2
Volatility	41 53%	49 53%	49 57%
Weighted-average volatility	52%	50%	55%
Expected dividend rate	3.6 5.8%	3.8 6.5%	0 4.3%
Weighted-average expected dividend rate	4.4%	5.9%	0.1%
Risk-free interest rate	0.5 1.1%	0.6 0.9%	0.9 1.8%
Weighted-average fair value	$8.96	$3.61	$5.32
ESPP			
Expected term (in years)	0.5	0.5	0.5
Volatility	38 46%	45 54%	44 47%
Weighted-average volatility	42%	49%	45%
Expected dividend rate	2.2 4.2%	3.9 5.2%	%
Weighted-average expected dividend rate	3.2%	4.7%	%
Risk-free interest rate	0.1%	0.1 0.2%	0.1 0.2%
Weighted-average fair value	$7.74	$4.89	$3.42
Performance restricted share awards subject to market condition			
Expected term (in years)	2.98	2.96	2.96
Weighted-average volatility	48%	65%	64%
Expected dividend rate	4.3%	6.4%	
Risk-free interest rate	0.3%	0.3%	0.8%
Weighted-average fair value	$26.41	$10.05	$12.13

Stock Compensation Expense

The Company recorded $76 million, $51 million and $51 million of share-based compensation during fiscal years 2013, 2012, and 2011, respectively. Management has made an estimate of expected forfeitures and is recognizing compensation costs only for those equity awards expected to vest. When estimating forfeitures, the Company considers voluntary termination behavior as well as analysis of actual forfeited awards.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Stock Option Activity

The Company issues new ordinary shares upon exercise of stock options. The following is a summary of option activities:

Options	Number of Shares (In millions)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (In years)	Aggregate Intrinsic Value (Dollars In millions)
Outstanding at June 29, 2012	22.6	$ 13.18	3.3	$ 264
Granted	1.8	$ 30.33		
Exercised	(14.5)	$ 14.53		
Forfeitures	(0.3)	$ 10.89		
Expirations	(0.1)	$ 14.22		
Outstanding at June 28, 2013	9.5	$ 14.60	3.8	$ 286
Vested and expected to vest at June 28, 2013	9.1	$ 14.11	3.7	$ 273
Exercisable at June 28, 2013	4.9	$ 10.78	2.6	$ 167

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the quoted price of the Company's ordinary shares for the options that were in-the-money at June 28, 2013. During fiscal years 2013, 2012, and 2011, the aggregate intrinsic value of options exercised under the Company's stock option plans was $272 million, $245 million and $76 million, respectively, determined as of the date of option exercise. The aggregate fair value of options vested during fiscal year 2013 was approximately $11 million.

At June 28, 2013, the total compensation cost related to options granted to employees but not yet recognized was approximately $22 million, net of estimated forfeitures of approximately $1 million. This cost is being amortized on a straight-line basis over a weighted-average remaining term of approximately 2.5 years and will be adjusted for subsequent changes in estimated forfeitures.

Nonvested Awards Activity

The following is a summary of nonvested award activities which do not contain a performance condition:

Nonvested Awards (In millions)	Number of Shares	Weighted-Average Grant-Date Fair Value
Nonvested at June 29, 2012	4.0	$ 12.62
Granted	2.9	$ 30.26
Forfeitures	(0.2)	$ 18.33
Vested	(1.3)	$ 13.06
Nonvested at June 28, 2013	5.4	$ 22.07

At June 28, 2013, the total compensation cost related to nonvested awards granted to employees but not yet recognized was approximately $89 million, net of estimated forfeitures of approximately $6 million.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

This cost is being amortized on a straight-line basis over a weighted-average remaining term of 2.9 years and will be adjusted for subsequent changes in estimated forfeitures. The aggregate fair value of nonvested awards vested during fiscal year 2013 was approximately $40 million.

Performance Awards

The following is a summary of nonvested award activities which contain a performance condition:

Performance Awards (In millions)	Number of Shares	Weighted-Average Grant-Date Fair Value
Performance awards at June 29, 2012	1.7	$ 10.69
Granted	1.2	$ 27.42
Forfeitures		$
Vested	(0.3)	$ 11.25
Performance awards at June 28, 2013	2.6	$ 18.44

At June 28, 2013, the total compensation cost related to performance awards granted to employees but not yet recognized was approximately $39 million. This cost is being amortized on a straight-line basis over a weighted-average remaining term of 2.8 years.

ESPP

During fiscal years 2013, 2012 and 2011, the aggregate intrinsic value of shares purchased under the Company's ESPP was approximately $17 million, $17 million and $7 million respectively. At June 28, 2013, the total compensation cost related to options to purchase the Company's ordinary shares under the ESPP but not yet recognized was approximately $1 million. This cost will be amortized on a straight-line basis over a weighted-average period of approximately one month. During fiscal year 2013, the Company issued 2.0 million ordinary shares with a weighted-average purchase price of $23.63 per share.

Tax-Deferred Savings Plan

The Company has a tax-deferred savings plan, the Seagate 401(k) Plan (the "40l(k) plan"), for the benefit of qualified employees. The 40l(k) plan is designed to provide employees with an accumulation of funds at retirement. Qualified employees may elect to make contributions to the 401(k) plan on a bi-weekly basis. Pursuant to the 401(k) plan, the Company matches 50% of employee contributions, up to 6% of compensation, subject to maximum annual contributions of $4,500 per participating employee. During fiscal years 2013, 2012, and 2011, the Company made matching contributions of $14 million, $13 million and $13 million, respectively.

Deferred Compensation Plan

On January 1, 2001, the Company adopted the SDCP for the benefit of eligible employees. This plan is designed to permit certain discretionary employer contributions, in excess of the tax limits applicable to the 401(k) plan and to permit employee deferrals in excess of certain tax limits. The Company's assets designated to pay benefits under the plan are held by a rabbi trust. The assets and liabilities of a rabbi trust are accounted for as assets and liabilities of the Company. As of June 28, 2013 and June 29, 2012, the assets held in the rabbi trust were approximately $79 million and $73 million, respectively, and are included

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

in Restricted cash and investments in the Consolidated Balance Sheets. The deferred compensation obligation related to the rabbi trust included in Accrued expenses on the accompanying Consolidated Balance Sheets was approximately $87 million and $82 million as of June 28, 2013 and June 29, 2012, respectively.

12. Earnings Per Share

The following table sets forth the computation of basic and diluted net income per share:

	Fiscal Years Ended		
(In millions, except per share data)	**June 28, 2013**	**June 29, 2012**	**July 1, 2011**
Numerator:			
Net income attributable to Seagate Technology plc	$ 1,838	$ 2,862	$ 511
Number of shares used in per share calculations:			
Total shares for purposes of calculating basic net income per share attributable to Seagate Technology plc	370	426	451
Weighted-average effect of dilutive securities:			
Employee equity award plans	12	15	16
Total shares for purpose of calculating diluted net income per share attributable to Seagate Technology plc	382	441	467
Net income per share attributable to Seagate Technology plc shareholders:			
Basic	$ 4.97	$ 6.72	$ 1.13
Diluted	$ 4.81	$ 6.49	$ 1.09

The following potential shares were excluded from the computation of diluted net income per share as their effect would have been anti-dilutive:

	Fiscal Years Ended		
(In millions)	**June 28, 2013**	**June 29, 2012**	**July 1, 2011**
Employee equity award plans	7	15	

13. Business Segment and Geographic Information

The Company has concluded that its manufacture and distribution of disk drives constitutes one reporting segment. The Company's manufacturing operations are based on technology platforms that are used to produce various disk drive products that serve multiple disk drive applications and markets. The Company's main technology platforms are primarily focused around areal density of media and read/write head technologies. In addition, the Company also invests in certain other technology platforms including motors, servo formatting read/write channels, solid state and other technologies. The Company has determined that its Chief Executive Officer is the Company's chief operating decision maker (CODM) as he is responsible for reviewing and approving investments in the Company's technology platforms and manufacturing infrastructure.

In fiscal years 2013, 2012 and 2011, Dell Inc. accounted for approximately 13%, 15% and 13% of consolidated revenue, respectively, while Hewlett-Packard Company accounted for approximately 10%, 14% and 15% of consolidated revenue, respectively. No other customer accounted for more than 10% of consolidated revenue in any year presented.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Other long-lived assets consist of property, equipment and leasehold improvements, other intangible assets, capital leases, equity investments and other non-current assets as recorded by the Company's operations in each area.

The following table summarizes the Company's operations by geographic area:

	Fiscal Years Ended		
	June 28, 2013	June 29, 2012	July 1, 2011
	(In millions)		
Revenue from external customers[1]:			
Singapore	$ 7,429	$ 7,847	$ 5,507
United States	3,620	3,845	3,043
The Netherlands	2,804	3,089	2,344
Other	498	158	77
Consolidated	$ 14,351	$ 14,939	$ 10,971
Long-lived assets:			
Singapore	$ 881	$ 868	$ 748
Thailand	398	409	380
United States	427	318	355
China	212	270	277
Malaysia	129	144	173
Other	852	928	462
Consolidated	$ 2,899	$ 2,937	$ 2,395

(1) Revenue is attributed to countries based on the shipping location.

14. Legal, Environmental and Other Contingencies

The Company assesses the probability of an unfavorable outcome of all its material litigation, claims, or assessments to determine whether a liability had been incurred and whether it is probable that one or more future events will occur confirming the fact of the loss. In the event that an unfavorable outcome is determined to be probable and the amount of the loss can be reasonably estimated, the Company establishes an accrual for the litigation, claim or assessment. In addition, in the event an unfavorable outcome is determined to be less than probable, but reasonably possible, the Company will disclose an estimate of the possible loss or range of such loss; however, when a reasonable estimate cannot be made, the Company will provide disclosure to that effect. Litigation is inherently uncertain and may result in adverse rulings or decisions. Additionally, the Company may enter into settlements or be subject to judgments that may, individually or in the aggregate, have a material adverse effect on its results of operations. Accordingly, actual results could differ materially.

Intellectual Property Litigation

Convolve, Inc. ("Convolve") and Massachusetts Institute of Technology ("MIT") v. Seagate Technology LLC, et al. On July 13, 2000, Convolve and MIT filed suit against Compaq Computer Corporation and Seagate Technology LLC in the U.S. District Court for the Southern District of New York, alleging infringement of U.S. Patent Nos. 4,916,635, "Shaping Command Inputs to Minimize Unwanted Dynamics" (the '635 patent) and U.S. Patent No. 5,638,267, "Method and Apparatus for

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Minimizing Unwanted Dynamics in a Physical System" (the '267 patent), misappropriation of trade secrets, breach of contract, and other claims. In the complaint, the plantiffs requested injunctive relief, $800 million in compensatory damages and unspecified punitive damages, including for willful infringement and willful and malicious misappropriation. On January 16, 2002, Convolve filed an amended complaint, alleging defendants infringe US Patent No. 6,314,473, "System for Removing Selected Unwanted Frequencies in Accordance with Altered Settings in a User Interface of a Data Storage Device," (the '473 patent"). The '635 patent expired on September 12, 2008. The court ruled in 2010 that the '267 patent was out of the case.

On August 16, 2011, the court granted in part and denied in part the Company's motion for summary judgment. The court granted summary judgment in favor of the Company on all patent infringement claims and on 11 of the 15 remaining alleged trade secrets. The court also denied Convolve's request for enhanced damages as moot and dismissed Convolve's request for injunctive relief. Following this ruling, the parties entered into a stipulation to conditionally dismiss without prejudice the remaining claims in order to facilitate an appeal of the August 16, 2011 order by Convolve to the U.S. Court of Appeals for the Federal Circuit. Pursuant to this stipulation, the court entered a final judgment on October 4, 2011. Convolve filed its notice of appeal to the U.S. Court of Appeals for the Federal Circuit on November 3, 2011. The Court of Appeals issued its ruling on July 1, 2013; the Court of Appeals: 1) affirmed the district court's summary judgment rulings that Seagate did not misappropriate any of the alleged trade secrets and that the asserted claims of the '635 patent are invalid; 2) reversed and vacated the district court's summary judgment of non-infringement with respect to the '473 patent; and 3) remanded the case for further proceedings on the '473 patent. On July 16, 2013, Convolve filed a petition for panel rehearing at the Court of Appeals; that petition was denied on July 31, 2013. In view of the district court's August 16, 2011 ruling and the Court of Appeals' July 1, 2013 ruling and the uncertainty regarding the amount of damages, if any, that could be awarded Convolve in this matter, the Company does not believe that it is currently possible to determine a reasonable estimate of the possible range of loss related to this matter.

Alexander Shukh v. Seagate Technology On February 12, 2010, Alexander Shukh filed a complaint against the Company in the U.S. District Court for the District of Minnesota, alleging, among other things, employment discrimination based on his Belarusian national origin and wrongful failure to name him as an inventor on several patents and patent applications. Mr. Shukh's employment was terminated as part of a company-wide reduction in force in fiscal year 2009. He seeks damages in excess of $75 million. The Company believes the claims are without merit and intends to vigorously defend this case. A date for the start of trial has not yet been scheduled. In view of the uncertainty regarding the amount of damages, if any, that could be awarded in this matter, the Company does not believe that it is currently possible to determine a reasonable estimate of the possible range of loss related to this matter.

Rembrandt Data Storage, LP v. Seagate Technology LLC On November 10, 2010, Rembrandt Data Storage, LP filed suit against Seagate Technology LLC in the U.S. District Court for the Western District of Wisconsin alleging infringement of U.S. Patent No. 5,995,342 C1, "Thin Film Heads Having Solenoid Coils," and U.S. Patent No. 6,195,232, "Low-Noise Toroidal Thin Film Head With Solenoidal Coil." The complaint seeks unspecified compensatory damages, enhanced damages, injunctive relief, and attorneys' fees and costs. On March 2, 2012, the district court granted Seagate's motion for summary judgment of non-infringement and entered judgment in favor of Seagate. On March 7, 2012, Rembrandt appealed to the U.S. Court of Appeals for the Federal Circuit. On December 10, 2012, the Court of Appeals affirmed the district court's judgment in favor of Seagate. In view of the Court of Appeals' December 10, 2012 ruling, the Company does not expect this matter will result in a loss.

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Rambus, Inc. ITC Investigation re Certain Semiconductor Chips and Products Containing the Same On December 1, 2010, Rambus, Inc. filed a complaint with the International Trade Commission seeking an investigation pursuant to Section 337 of the Tariff Act of 1930, as amended. The complaint names Seagate Technology LLC and numerous other respondents, including LSI, Inc. and ST Microelectronics, Inc., alleging that Seagate products incorporate semiconductor products made by LSI and STMicroelectronics that infringe various patents owned by Rambus. The ITC initiated an investigation on December 29, 2010. Rambus seeks an order to exclude entry of infringing products into the U.S. and a cease and desist order. On July 25, 2012, the ITC gave notice that it had determined to terminate the investigation with a finding of no violation of Section 337 by Seagate and the other respondents. On September 21, 2012, Rambus filed a notice of appeal to the U.S. Court of Appeals for the Federal Circuit. On June 20, 2013, Rambus filed a request with the Court of Appeals to withdraw the appeal, stating there was no ongoing dispute between Rambus and Seagate as a result of Rambus' settlements with other respondents. On June 24, 2013, the Court of Appeals dismissed the appeal. In light of the dismissal of the appeal, the Company does not expect this matter will result in a loss.

LEAP Co., Ltd. v. Seagate Singapore International Headquarters Pte. Ltd. and Nippon Seagate Inc. On July 4, 2012, LEAP Co., Ltd. filed a lawsuit in the Tokyo District Court of Japan against Seagate Singapore International Headquarters Pte. Ltd., Nippon Seagate Inc. and Buffalo Inc. alleging wrongful termination of purchase agreements and other claims, and seeking approximately $38 million in damages. The Company believes the claims are without merit and intends to vigorously defend this case. In view of the uncertainty regarding the amount of damages, if any, that could be awarded in this matter, the Company does not believe that it is currently possible to determine a reasonable estimate of the possible range of loss related to this matter.

Realtek Semiconductor Corporation ITC Investigation re Certain Integrated Circuit Chips and Products Containing the Same On September 19, 2012, Realtek Semiconductor Corporation filed a complaint with the International Trade Commission seeking an investigation pursuant to Section 337 of the Tariff Act of 1930, as amended. The complaint names LSI Corporation and Seagate Technology as respondents and alleges infringement of U.S. patents relating to integrated circuit chips that include bond pad structures. Realtek seeks an order to exclude entry of infringing integrated circuit chips and products containing the infringing integrated circuit chips into the U.S. and a cease and desist order. The ITC initiated an investigation on October 18, 2012. The target date for completion of the investigation is February 24, 2014. In view of the uncertainty regarding the possible outcome of this case and the nature of the relief sought, the Company does not believe that it is currently possible to determine a reasonable estimate of the possible loss or range of loss, or other possible adverse result, if any, that may be incurred with respect to this matter.

Enova Technology Corporation v. Seagate Technology (US) Holdings, Inc., et al. On June 5, 2013, Enova Technology Corporation filed a complaint against Seagate Technology (US) Holdings, Inc. and Seagate Technology LLC in the U.S. District Court for the District of Delaware alleging infringement of U.S. Patent No. 7,136,995, "Cryptographic Device," and U.S. Patent No. 7,900,057, "Cryptographic Serial ATA Apparatus and Method." The complaint seeks unspecified compensatory damages, enhanced damages, injunctive relief, attorneys' fees, and other relief. The Company believes the claims are without merit and intends to vigorously defend this case. In view of the uncertainty regarding the amount of damages, if any, that could be awarded in this matter, the Company does not believe that it is currently possible to determine a reasonable estimate of the possible range of loss related to this matter.

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Environmental Matters

The Company's operations are subject to U.S. and foreign laws and regulations relating to the protection of the environment, including those governing discharges of pollutants into the air and water, the management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. Some of the Company's operations require environmental permits and controls to prevent and reduce air and water pollution, and these permits are subject to modification, renewal and revocation by issuing authorities.

The Company has established environmental management systems and continually updates its environmental policies and standard operating procedures for its operations worldwide. The Company believes that its operations are in material compliance with applicable environmental laws, regulations and permits. The Company budgets for operating and capital costs on an ongoing basis to comply with environmental laws. If additional or more stringent requirements are imposed on the Company in the future, it could incur additional operating costs and capital expenditures.

Some environmental laws, such as the Comprehensive Environmental Response Compensation and Liability Act of 1980 (as amended, the "Superfund" law) and its state equivalents, can impose liability for the cost of cleanup of contaminated sites upon any of the current or former site owners or operators or upon parties who sent waste to these sites, regardless of whether the owner or operator owned the site at the time of the release of hazardous substances or the lawfulness of the original disposal activity. The Company has been identified as a potentially responsible party at several sites. At each of these sites, the Company has an assigned portion of the financial liability based on the type and amount of hazardous substances disposed of by each party at the site and the number of financially viable parties. The Company has fulfilled its responsibilities at some of these sites and remains involved in only a few at this time.

While the Company's ultimate costs in connection with these sites is difficult to predict with complete accuracy, based on its current estimates of cleanup costs and its expected allocation of these costs, the Company does not expect costs in connection with these sites to be material.

The Company may be subject to various state, federal and international laws and regulations governing the environment, including those restricting the presence of certain substances in electronic products. For example, the European Union ("EU") enacted the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment, which prohibits the use of certain substances, including lead, in certain products, including disk drives, put on the market after July 1, 2006. Similar legislation has been or may be enacted in other jurisdictions, including in the United States, Canada, Mexico, Taiwan, China, Japan and others. The European Union REACH Directive (Registration, Evaluation, Authorization, and Restriction of Chemicals, EC 1907/2006) also restricts substances of very high concern ("SVHCs") in products. If the Company or its suppliers fails to comply with the substance restrictions, recycle requirements or other environmental requirements as they are enacted worldwide, it could have a materially adverse effect on the Company's business.

Other Matters

The Company is involved in a number of other judicial and administrative proceedings incidental to its business, and the Company may be involved in various legal proceedings arising in the normal course of its business in the future. Although occasional adverse decisions or settlements may occur, the Company believes that the final disposition of such matters will not have a material adverse effect on its financial position or results of operations.

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SEAGATE TECHNOLOGY PLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Commitments

Leases. The Company leases certain property, facilities and equipment under non-cancelable lease agreements. Land and facility leases expire at various dates through 2067 and contain various provisions for rental adjustments including, in certain cases, a provision based on increases in the Consumer Price Index. Also, certain leases provide for renewal of the lease at the Company's option at expiration of the lease. All of the leases require the Company to pay property taxes, insurance and normal maintenance costs.

Future minimum lease payments for operating leases (including accrued lease payments relating to restructuring plans) with initial or remaining terms of one year or more were as follows at June 28, 2013 (lease payments are shown net of sublease income):

Fiscal Years Ending	Operating Leases (Dollars in millions)
2014	$ 31
2015	20
2016	15
2017	9
2018	9
Thereafter	81
	$ 165

Total rent expense for all land, facility and equipment operating leases, net of sublease income, was $35 million, $34 million and $24 million for fiscal years 2013, 2012 and 2011, respectively. Total sublease rental income for fiscal years 2013, 2012 and 2011 was $4 million, $6 million and $12 million, respectively. The Company subleases a portion of its facilities that it considers to be in excess of current requirements. As of June 28, 2013, total future lease income to be recognized for the Company's existing subleases is approximately $7 million.

During the fiscal year 2011, the Company entered into a sale-leaseback transaction for its AMK facility in Singapore. The transaction was completed in the fourth fiscal quarter and net proceeds were $73 million. Upon execution of the sale, the Company recognized a $15 million gain and an additional $26 million of deferred gain. The deferred gain is being recognized ratably over the minimum lease term of three years, as an offset to the related rental expense. The Company considers this lease as a normal leaseback and classified the lease as an operating lease. As of June 28, 2013 the total future minimum lease payments for the leaseback were $4 million, which are included in the total future minimum lease payments for operating leases shown above.

The Company recorded amounts for both adverse and favorable leasehold interests and for exit costs that apply directly to the lease commitments assumed through the 2006 acquisition of Maxtor. As of June 28, 2013, the Company had a $6 million adverse leasehold interest related to leases acquired from Maxtor. The adverse leasehold interest is being amortized to Cost of revenue and Operating expenses over the remaining duration of the leases. In addition, the Company had $9 million and $12 million remaining in accrued exit costs related to the planned exit of Maxtor leased excess facilities at June 28, 2013 and June 29, 2012, respectively.

Capital Expenditures. The Company's non-cancelable commitments for construction of manufacturing and product development facilities and purchases of equipment approximated $284 million at June 28, 2013.

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SEAGATE TECHNOLOGY PLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Guarantees

Indemnifications to Officers and Directors

On May 4, 2009, Seagate Technology, an exempted company incorporated with limited liability under the laws of the Cayman Islands ("Seagate-Cayman"), then the parent company, entered into a new form of indemnification agreement (the "Revised Indemnification Agreement") with its officers and directors of Seagate-Cayman and its subsidiaries (each, an "Indemnitee"). The Revised Indemnification Agreement provides indemnification in addition to any of Indemnitee's indemnification rights under Seagate-Cayman's Articles of Association, applicable law or otherwise, and indemnifies an Indemnitee for certain expenses (including attorneys' fees), judgments, fines and settlement amounts actually and reasonably incurred by him or her in any action or proceeding, including any action by or in the right of Seagate-Cayman or any of its subsidiaries, arising out of his or her service as a director, officer, employee or agent of Seagate-Cayman or any of its subsidiaries or of any other entity to which he or she provides services at Seagate-Caymans's request. However, an Indemnitee shall not be indemnified under the Revised Indemnification Agreement for (i) any fraud or dishonesty in the performance of Indemnitee's duty to Seagate-Cayman or the applicable subsidiary of Seagate-Cayman or (ii) Indemnitee's conscious, intentional or willful failure to act honestly, lawfully and in good faith with a view to the best interests of Seagate-Cayman or the applicable subsidiary of Seagate-Cayman. In addition, the Revised Indemnification Agreement provides that Seagate-Cayman will advance expenses incurred by an Indemnitee in connection with enforcement of the Revised Indemnification Agreement or with the investigation, settlement or appeal of any action or proceeding against him or her as to which he or she could be indemnified.

On July 3, 2010 pursuant to a corporate reorganization, the common shareholders of Seagate-Cayman became ordinary shareholders of Seagate Technology PLC (the Company) and Seagate-Cayman became a wholly owned subsidiary of the Company, as described more fully in the Current Report on Form 8-K filed by the Company on July 6, 2010 (the "Redomestication"). On July 27, 2010, in connection with the Redomestication, the Company, as sole shareholder of Seagate-Cayman, approved a form of deed of indemnity (the "Deed of Indemnity"), which provides for the indemnification by Seagate-Cayman of any director, officer, employee or agent of the Company, Seagate-Cayman or any subsidiary of the Company (each, a "Deed Indemnitee"), in addition to any of a Deed Indemnitee's indemnification rights under the Company's Articles of Association, applicable law or otherwise, with a similar scope to the Revised Indemnification Agreement. Seagate-Cayman entered into the Deed of Indemnity with certain Deed Indemnitees effective as of July 3, 2010 and continues to enter into the Deed of Indemnity with additional Deed Indemnitees from time to time.

The nature of these indemnification obligations prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay on behalf of its officers and directors. Historically, the Company has not made any significant indemnification payments under such agreements and no amount has been accrued in the accompanying consolidated financial statements with respect to these indemnification obligations.

Intellectual Property Indemnification Obligations

The Company has entered into agreements with customers and suppliers that include limited intellectual property indemnification obligations that are customary in the industry. These guarantees generally require the Company to compensate the other party for certain damages and costs incurred as a result of third party intellectual property claims arising from these transactions. The nature of the intellectual property indemnification obligations prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to its customers and suppliers.

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SEAGATE TECHNOLOGY PLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Historically, the Company has not made any significant indemnification payments under such agreements and no amount has been accrued in the accompanying consolidated financial statements with respect to these indemnification obligations.

Product Warranty

The Company estimates probable product warranty costs at the time revenue is recognized. The Company generally warrants its products for a period of one to five years. The Company uses estimated repair or replacement costs and uses statistical modeling to estimate product return rates in order to determine its warranty obligation. Changes in the Company's product warranty liability during the fiscal years ended June 28, 2013, June 29, 2012 and July 1, 2011 were as follows:

	Fiscal Years Ended		
(In millions)	**June 28, 2013**	**June 29, 2012**	**July 1, 2011**
Balance, beginning of period	$ 363	$ 348	$ 372
Warranties issued	193	169	199
Repairs and replacements	(276)	(284)	(221)
Changes in liability for pre-existing warranties, including expirations	37	58	(2)
Warranty liability assumed from acquisitions	3	72	
Balance, end of period	$ 320	$ 363	$ 348

17. Related Party Transactions

In connection with the Company's acquisition of the Samsung HDD business, Samsung became a shareholder of the Company and appointed one of its executives to the Company's Board of Directors.

Samsung Electronics Co. Ltd. ("Samsung") The Company recorded revenue of $413 million and $407 million from sales to Samsung for fiscal year 2013 and 2012, respectively. The Company made payments to Samsung in fiscal years 2013 and 2012 of $393 million and $102 million, respectively, related to purchases of components and services. The Company had accounts payable to Samsung of $48 million and $25 million at June 28, 2013 and June 29, 2012, respectively. The Company had accounts receivable from Samsung of $49 million and $64 million at June 28, 2013 and June 29, 2012, respectively.

During the years presented, members of the Company's board of directors also served on the boards of the following companies with which the Company had transactions:

Symantec Corporation ("Symantec") The Company made payments of $30 million for the purchase of its new Cupertino, California facility to Symantec in fiscal year 2011.

United Parcel Service, Inc. ("UPS") The Company made payments for freight and logistics services to UPS of $94 million and $150 million in fiscal years 2012, and 2011, respectively. At June 29, 2012, the Company had accounts payable to UPS of $15 million. UPS was no longer deemed a related party during fiscal year 2013.

LSI Corporation ("LSI") The Company recorded revenue of $4 million and $65 million from sales to LSI for fiscal years 2012 and 2011, respectively. There was no material revenue in fiscal year 2013. The Company made payments to LSI in fiscal years 2013, 2012, and 2011 of $574 million, $685 million and

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SEAGATE TECHNOLOGY PLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

$333 million, respectively, related to purchases of various components. The Company had accounts payable to LSI of $79 million and $455 million at June 28, 2013 and June 29, 2012, respectively.

Microsoft Corporation ("Microsoft") The Company recorded revenue of $141 million and $54 million from sales to Microsoft for fiscal year 2013 and 2012, respectively. The Company made payments to Microsoft in fiscal year 2013 and 2012 of $2 million and $24 million, respectively, related to purchases of licensed software. The Company had accounts receivable from Microsoft of $33 million and $39 million at June 28, 2013 and June 29, 2012.

18. Subsequent Events

July 2013 Stock Repurchase Program

The Board of Directors has authorized the Company to repurchase up to $2.5 billion of its outstanding ordinary shares (the "July 2013 Authorization").

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Seagate Technology public limited company

We have audited the accompanying consolidated balance sheets of Seagate Technology public limited company (plc) as of June 28, 2013 and June 29, 2012, and the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended June 28, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Seagate Technology plc at June 28, 2013 and June 29, 2012, and the consolidated results of its operations and its cash flows for each of the three years in the period ended June 28, 2013, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Seagate Technology plc's internal control over financial reporting as of June 28, 2013, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 7, 2013 expressed an unqualified opinion thereon.

/S/ ERNST & YOUNG LLP

San Jose, California
August 7, 2013

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Seagate Technology public limited company

We have audited Seagate Technology public limited company (plc)'s internal control over financial reporting as of June 28, 2013, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Seagate Technology plc's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Seagate Technology plc maintained, in all material respects, effective internal control over financial reporting as of June 28, 2013, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Seagate Technology plc as of June 28, 2013 and June 29, 2012, and the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended June 28, 2013 and our report dated August 7, 2013 expressed an unqualified opinion thereon.

/S/ ERNST & YOUNG LLP

San Jose, California
August 7, 2013

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SUPPLEMENTARY FINANCIAL DATA (UNAUDITED)

For quarterly financial data see Part II, Item 6. Selected Financial Data

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Conclusions Regarding Disclosure Controls and Procedures

Our chief executive officer and our chief financial officer have concluded, based on the evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended) by our management, with the participation of our chief executive officer and our chief financial officer, that our disclosure controls and procedures were effective as of June 28, 2013.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended). Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO.

Based on our evaluation under the framework in *Internal Control Integrated Framework*, our management has concluded that our internal control over financial reporting was effective as of June 28, 2013. The effectiveness of our internal control over financial reporting as of June 28, 2013 has been audited by Ernst & Young LLP, the independent registered public accounting firm that audited our financial statements included in this Form 10-K, as stated in their report that is included herein.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during our fourth fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

Our management, including our chief executive officer and chief financial officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Our disclosure controls and procedures and our internal controls have been designed to provide reasonable assurance of achieving their objectives. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within Seagate have been detected. An evaluation was performed under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of June 28, 2013. Based on that evaluation, our management, including our chief executive officer and chief financial officer, concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

ITEM 9B. OTHER INFORMATION

None.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information regarding our directors and compliance with Section 16(a) of the Securities Exchange Act of 1934, as amended, set forth in the sections entitled "Proposal 1 Election of Directors," "Corporate Governance" and "Section 16(a) Beneficial Ownership Reporting Compliance," in our Proxy Statement to be filed with the Commission within 120 days of the end of our fiscal year pursuant to General Instruction G(3) to Form 10-K are hereby incorporated by reference in this section. In addition, the information set forth in Part I of this report under "Item 1. Business Executive Officers" is also incorporated by reference in this section.

We have adopted a Code of Business Conduct and Ethics that applies to all Seagate employees, officers and members of our Board of Directors, including our principal executive, finance and accounting officers. This Code of Business Conduct and Ethics is posted on our Website. The Internet address for our Website is *www.seagate.com*, and the Code of Business Conduct and Ethics may be found from our main Web page by clicking first on "Investors," next on "Corporate Governance" and then on "Code of Business Conduct and Ethics."

We intend to satisfy any disclosure requirements under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of this Code of Business Conduct and Ethics by posting such information on our Website, at the Internet address and location specified above.

ITEM 11. EXECUTIVE COMPENSATION

The information regarding executive compensation required by this Item 11 set forth in the section entitled "Compensation of Executive Officers" in our Proxy Statement to be filed with the Commission within 120 days of the end of our fiscal year pursuant to General Instruction G(3) to Form 10-K is hereby incorporated by reference in this section.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information regarding security ownership beneficial owners and management and related shareholders required by this Item 12 set forth in the section entitled "Security Ownership of Directors, Executive Officers and Certain Beneficial Owners" in our Proxy Statement to be filed with the Commission within 120 days of the end of our fiscal year pursuant to General Instruction G(3) to Form 10-K is hereby incorporated by reference in this section.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information regarding certain relationships, related transactions and director independence required by this Item 13 set forth in the section entitled "Certain Relationships and Related Transactions" in our Proxy Statement to be filed with the Commission within 120 days of the end of our fiscal year pursuant to General Instruction G(3) to Form 10-K is hereby incorporated by reference in this section.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information regarding principal accountant fees and services required by this Item 14 set forth in the section entitled "Information about the Independent Auditors" in our Proxy Statement to be filed with the Commission within 120 days of the end of our fiscal year pursuant to General Instruction G(3) to Form 10-K is hereby incorporated by reference in this section.

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)

The following documents are filed as part of this Report:

1.

Financial Statements. The following Consolidated Financial Statements of Seagate Technology plc and Report of Independent Registered Public Accounting Firm are included in Item 8:

	Page No.
Consolidated Balance Sheets	61
Consolidated Statements of Operations	62
Consolidated Statements of Comprehensive Income	63
Consolidated Statements of Cash Flows	64
Consolidated Statements of Shareholders' Equity	65
Notes to Consolidated Financial Statements	66
Reports of Independent Registered Public Accounting Firm	111

2.

Financial Statement Schedules. All schedules are omitted because they are not applicable or the required information is included in the Financial Statements or in the notes thereto.

(b)

Exhibits. The information required by this Item is set forth on the Exhibit Index (following the Signatures section of this report) and is included, or incorporated by reference, in this Annual Report on Form 10-K.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SEAGATE TECHNOLOGY PUBLIC LIMITED COMPANY
/s/ STEPHEN J. LUCZO

(Stephen J. Luczo, Chief Executive Officer, President,
Director and Chairman of the Board of Directors)

Date: August 7, 2013

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Stephen J. Luczo, Patrick J. O'Malley, and Kenneth M. Massaroni, and each of them, as his true and lawful attorneys-in-fact and agents, with power to act with or without the others and with full power of substitution and resubstitution, to do any and all acts and things and to execute any and all instruments which said attorneys and agents and each of them may deem necessary or desirable to enable the registrant to comply with the U.S. Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the U.S. Securities and Exchange Commission thereunder in connection with the registrant's Annual Report on Form 10-K for the fiscal year ended June 28, 2013 (the "Annual Report"), including specifically, but without limiting the generality of the foregoing, power and authority to sign the name of the registrant and the name of the undersigned, individually and in his capacity as a director or officer of the registrant, to the Annual Report as filed with the U.S. Securities and Exchange Commission, to any and all amendments thereto, and to any and all instruments or documents filed as part thereof or in connection therewith; and each of the undersigned hereby ratifies and confirms all that said attorneys and agents and each of them shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ STEPHEN J. LUCZO (Stephen J. Luczo)	Chief Executive Officer, President, Director and Chairman of the Board of Directors (Principal Executive Officer)	August 7, 2013
/s/ PATRICK J. O'MALLEY (Patrick J. O'Malley)	Executive Vice President, Finance and Chief Financial Officer (Principal Financial Officer)	August 7, 2013
/s/ DAVID H. MORTON, JR. (David H. Morton, Jr.)	Vice President, Finance and Treasurer (Principal Accounting Officer)	August 7, 2013
/s/ FRANK J. BIONDI, JR. (Frank J. Biondi, Jr.)	Director	August 7, 2013

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Signature	Title	Date
/s/ MICHAEL R. CANNON	Director	August 7, 2013
(Michael R. Cannon)		
/s/ MEI-WEI CHENG	Director	August 7, 2013
(Mei-Wei Cheng)		
/s/ WILLIAM T. COLEMAN III	Director	August 7, 2013
(William T. Coleman III)		
/s/ JAY L. GELDMACHER	Director	August 7, 2013
(Jay L. Geldmacher)		
/s/ SEH-WOONG JEONG	Director	August 7, 2013
(Dr. Seh-Woong Jeong)		
/s/ LYDIA M. MARSHALL	Director	August 7, 2013
(Lydia M. Marshall)		
/s/ KRISTEN M. ONKEN	Director	August 7, 2013
(Kristen M. Onken)		
/s/ C.S. PARK	Director	August 7, 2013
(Dr. C.S. Park)		
/s/ GREGORIO REYES	Director	August 7, 2013
(Gregorio Reyes)		
/s/ EDWARD J. ZANDER	Director	August 7, 2013
(Edward J. Zander)		

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EXHIBIT INDEX

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
2.1	Scheme of Arrangement among Seagate Technology ("Seagate-Cayman"), Seagate Technology plc ("Seagate-Ireland") and the Scheme Shareholders (incorporated by reference to Annex A to Seagate Technology's Definitive Proxy Statement on Schedule 14A filed on March 5, 2010)	DEF 14A	001-31560	Annex A	3/5/2010	
3.1	Memorandum and Articles of Association of Seagate Technology plc	8-K12B/A	001-31560	3.1	7/9/2010	
3.2	Certificate of Incorporation of Seagate Technology plc	10-K	001-31560	3.2	8/20/2010	
4.1	Specimen Ordinary Share Certificate	10-K	001-31560	4.1	8/20/2010	
4.2	Indenture dated September 20, 2006 among Seagate Technology, Seagate Technology HDD Holdings and U.S. Bank National Association	8-K	001-31560	4.1	9/21/2006	
4.3	Forms of Global Note for the Senior Notes due 2011 and Senior Notes due 2016 of Seagate Technology HDD Holdings issued pursuant to the Indenture	8-K	001-31560	4.1	9/21/2006	
4.4	First Supplemental Indenture, dated as of March 1, 2010, among Seagate Technology HDD Holdings, Seagate HDD Cayman, Seagate Technology and U.S. Bank National Association, as trustee, amending and supplementing the Indenture, dated as of September 20, 2006, among Seagate Technology HDD Holdings, Seagate Technology and U.S. Bank National Association, as trustee	8-K	001-31560	10.2	3/3/2010	
4.5	Supplemental Indenture, dated as of July 3, 2010, among Seagate HDD Cayman, as issuer, Seagate Technology, as original guarantor, Seagate Technology plc, as successor guarantor, and Wells Fargo Bank, National Association, as trustee, amending and supplementing the Indenture, dated as of May 13, 2010, among Seagate HDD Cayman, as issuer, Seagate Technology, as guarantor, and Wells Fargo Bank, National Association, as trustee	8-K	001-31560	10.1	7/6/2010	
4.6	Indenture dated as of May 13, 2010, among Seagate HDD Cayman, as Issuer, Seagate Technology, as Guarantor, and Wells Fargo Bank, National Association, as Trustee	8-K	001-31560	4.1	5/14/2010	
4.7	Form of 6.875% Senior Note due 2020	8-K	001-31560	4.1	5/14/2010	

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Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
4.8	Registration Rights Agreement dated as of May 13, 2010, among Seagate HDD Cayman, Seagate Technology and Morgan Stanley & Co. Incorporated and Banc of America Securities LLC	8-K	001-31560	4.3	5/14/2010	
4.9	Indenture dated as of December 14, 2010, among Seagate HDD Cayman, as Issuer, Seagate Technology plc, as Guarantor, and Wells Fargo Bank, National Association, as Trustee	8-K	001-31560	4.1	12/14/2010	
4.10	Form of 7.75% Senior Note due 2018	8-K	001-31560	4.1	12/14/2010	
4.11	Registration Rights Agreement dated as of December 14, 2010, among Seagate HDD Cayman, Seagate Technology plc and Morgan Stanley & Co. Incorporated and Merrill Lynch, Pierce, Fenner & Smith Incorporated	8-K	001-31560	4.3	12/14/2010	
4.12	Indenture dated as of May 18, 2011, among Seagate HDD Cayman, as Issuer, Seagate Technology plc, as Guarantor, and Wells Fargo Bank, National Association, as Trustee	8-K	001-31560	4.1	5/18/2011	
4.13	Form of 7.000% Senior Note due 2021	8-K	001-31560	4.1	5/18/2011	
4.14	Registration Rights Agreement dated as of May 18, 2011, among Seagate HDD Cayman, Seagate Technology plc and Morgan Stanley & Co. Incorporated	8-K	001-31560	4.3	5/18/2011	
4.15	Fourth Supplemental Indenture, dated as of February 7, 2012, among Seagate Technology International, as issuer, Seagate Business Centre (UK) Limited and Wells Fargo Bank, National Association, as trustee, amending and supplementing the Indenture, dated as of May 1, 2009, among Seagate Technology International, as issuer, Seagate Technology and the other guarantors party thereto and Wells Fargo Bank, National Association, as trustee	10-K	001-31560	4.20	8/8/2012	
4.16	Form of 4.75% Senior Note due 2023	8-K	001-31560	4.2	5/22/2013	
4.17	Registration Rights Agreement dated as of May 22, 2013, among Seagate HDD Cayman, Seagate Technology plc and Morgan Stanley & Co. LLC.	8-K	001-31560	4.3	5/22/2013	
10.1+	Fifth Amended and Restated Seagate Technology Executive Officer Severance and Change in Control Plan					X
10.2+	Amended Seagate Technology plc 2001 Share Option Plan	10-K	001-31560	10.1	8/20/2010	
10.3+	Seagate Technology plc 2001 Share Option Plan Form of Notice of Stock Option Grant and Option Agreement (includes Compensation Recovery Policy)	10-K	001-31560	10.3	8/20/2010	

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Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.4(a)+	Form of Revised Indemnification Agreement between Seagate Technology and the director or officer named therein	10-Q	001-31560	10.4(b)	5/6/2009	
10.4(b)+	Form of Deed of Indemnity between Seagate Technology plc and the director or company secretary named therein	8-K	001-31560	10.1	7/29/2010	
10.5+	Seagate Technology Executive Officer Performance Bonus Plan	10-Q	001-31560	10.6	10/30/2008	
10.6+	Amended Seagate Technology plc 2004 Share Compensation Plan	10-K	001-31560	10.6	8/20/2010	
10.7+	Seagate Technology 2004 Stock Compensation Plan Form of Option Agreement (For Outside Directors)	10-Q	001-31560	10.7	11/4/2009	
10.8+	Seagate Technology 2004 Stock Compensation Plan Notice of Restricted Stock Bonus Grant (For Outside Directors)	10-Q	001-31560	10.10	11/4/2009	
10.9+	Seagate Technology plc 2004 Share Compensation Plan Form of Notice of Stock Option Grant and Option Agreement (includes Compensation Recovery Policy)	10-K	001-31560	10.13	8/20/2010	
10.10+	Seagate Technology plc 2004 Share Compensation Plan Form of Notice of Performance Share Bonus Grant and Agreement (includes Compensation Recovery Policy)	10-K	001-31560	10.16	8/20/2010	
10.11+	Offer Letter, dated as of January 29, 2009, by and between Seagate Technology and Stephen J. Luczo	10-Q	001-31560	10.20	2/10/2009	
10.12+	Seagate Technology 2004 Stock Compensation Plan Form of Restricted Stock Bonus Agreement (includes Compensation Recovery Policy)	10-Q	001-31560	10.22	2/10/2009	
10.13+	Seagate Technology plc 2004 Share Compensation Plan Form of Restricted Share Unit Agreement (includes Compensation Recovery Policy)	10-Q	001-31560	10.19	11/3/2010	
10.14+	Seagate Technology plc 2004 Share Compensation Plan Form of Executive Performance Unit Award Agreement	8-K	001-31560	10.1	9/13/2010	
10.15+	Restated Seagate Deferred Compensation Plan	10-Q	001-31560	10.27	5/5/2010	
10.16+	Seagate Deferred Compensation Sub-Plan	10-Q	001-31560	10.28	5/5/2010	
10.17	Second Priority Mortgage of Shares in Seagate Technology, dated March 1, 2010, between Seagate Technology plc, as mortgagor, and Wells Fargo Bank, National Association, as mortgagee	8-K	001-31560	10.23	3/3/2010	
10.18	Deed Poll of Assumption by Seagate Technology plc, dated July 2, 2010	8-K	001-31560	10.2	7/6/2010	

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Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.19	Credit Agreement, dated as of January 18, 2011, among Seagate Technology Public Limited Company, Seagate HDD Cayman, as Borrower, the lending institutions thereto, The Bank of Nova Scotia, as Administrative Agent, Morgan Stanley Senior Funding, Inc., Merrill Lynch Pierce Fenner and Smith Incorporated and BNP Paribas as Syndication Agents and Wells Fargo Bank, National Association, as Documentation Agent	10-Q	001-31560	10.47	2/3/2011	
10.20	U.S. Guarantee Agreement, dated as of January 18, 2011, among Seagate Technology Public Limited Company, Seagate HDD Cayman, as Borrower, the Guarantor parties thereto and The Bank of Nova Scotia, as Administrative Agent	10-Q	001-31560	10.48	2/3/2011	
10.21	U.S. Security Agreement, dated as of January 18, 2011, among Seagate Technology Public Limited Company, Seagate HDD Cayman, as Borrower, the Guarantor parties thereto and The Bank of Nova Scotia, as Administrative Agent	10-Q	001-31560	10.49	2/3/2011	
10.22	U.S. Pledge Agreement, dated as of January 18, 2011, among Seagate Technology Public Limited Company, Seagate HDD Cayman, as Borrower, the Subsidiary Pledgor parties thereto and The Bank of Nova Scotia, as Administrative Agent	10-Q	001-31560	10.50	2/3/2011	
10.23	Indemnity, Subrogation and Contribution Agreement, dated as of January 18, 2011, among Seagate Technology Public Limited Company, Seagate HDD Cayman, as Borrower, the Subsidiary parties thereto and The Bank of Nova Scotia, as Administrative Agent	10-Q	001-31560	10.52	2/3/2011	
10.24	Asset Purchase Agreement by and among Samsung Electronics Co., Ltd., Seagate Technology International and Seagate Technology plc dated April 19, 2011	10-K	001-31560	10.53	8/17/2011	
10.25	Intellectual Property Agreement by and between Samsung Electronics Co., Ltd. and Seagate Technology International dated April 19, 2011	10-K	001-31560	10.54	8/17/2011	
10.26	Shareholder Agreement by and between Seagate Technology plc and Samsung Electronics Co., Ltd. dated as of April 19, 2011	10-K	001-31560	10.55	8/17/2011	
10.27+	Seagate Technology plc 2004 Share Compensation Plan Form of Executive Performance Unit Agreement	10-Q	001-31560	10.56	10/27/2011	
10.28+	Seagate Technology plc 2012 Equity Incentive Plan	10-Q	001-31560	10.57	10/27/2011	

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Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.29+	2012 Equity Incentive Plan Restricted Share Unit Agreement (outside directors)					X
10.30	Supplement No. 1, dated February 7, 2012, to the U.S. Guarantee Agreement, dated as of January 18, 2011, among Seagate Technology Public Limited Company, Seagate HDD Cayman, as Borrower, the Guarantor parties thereto and The Bank of Nova Scotia, as Administrative Agent	10-K	001-31560	10.45	8/8/2012	
10.31	Supplement No. 1, dated February 7, 2012, to the Indemnity, Subrogation and Contribution Agreement, dated as of January 18, 2011, among Seagate Technology Public Limited Company, Seagate HDD Cayman, as Borrower, the Subsidiary parties thereto and The Bank of Nova Scotia, as Administrative Agent	10-K	001-31560	10.46	8/8/2012	
10.32	Supplement No. 2, dated February 22, 2012, to the U.S. Guarantee Agreement, dated as of January 18, 2011, among Seagate Technology Public Limited Company, Seagate HDD Cayman, as Borrower, the Guarantor parties thereto and The Bank of Nova Scotia, as Administrative Agent	10-K	001-31560	10.48	8/8/2012	
10.33	Supplement No. 2, dated February 22, 2012, to the Indemnity, Subrogation and Contribution Agreement, dated as of January 18, 2011, among Seagate Technology Public Limited Company, Seagate HDD Cayman, as Borrower, the Subsidiary parties thereto and The Bank of Nova Scotia, as Administrative Agent	10-K	001-31560	10.49	8/8/2012	
10.34	Supplement No. 3, dated March 19, 2012, to the U.S. Guarantee Agreement, dated as of January 18, 2011, among Seagate Technology Public Limited Company, Seagate HDD Cayman, as Borrower, the Guarantor parties thereto and The Bank of Nova Scotia, as Administrative Agent	10-K	001-31560	10.50	8/8/2012	
10.35	Supplement No. 3, dated March 19, 2012, to the Indemnity, Subrogation and Contribution Agreement, dated as of January 18, 2011, among Seagate Technology Public Limited Company, Seagate HDD Cayman, as Borrower, the Subsidiary parties thereto and The Bank of Nova Scotia, as Administrative Agent	10-K	001-31560	10.51	8/8/2012	
10.36+	Summary description of Seagate Technology plc's Compensation Policy for Non-Management Members of the Board of Directors with an effective date of October 24, 2012	10-K	001-31560	10.52	8/8/2012	

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Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.37+	Seagate Technology Public Limited Company 2012 Equity Incentive Plan Executive Performance Unit Agreement.					X
10.38+	Seagate Technology Public Limited Company 2012 Equity Incentive Plan Restricted Share Unit Agreement.					X
10.39+	Seagate Technology Public Limited Company 2012 Equity Incentive Plan Option Agreement.					X
10.40+	Seagate Technology plc Amended and Restated Employee Stock Purchase Plan					X
10.41+	First Amendment to Seagate Deferred Compensation Plan	10-Q	001-31560	10.26	5/5/2010	
10.42+	Second Amendment to Seagate Deferred Compensation Plan	10-Q	001-31560	10.21	5/3/2011	
10.43+	Third Amendment to Seagate Deferred Compensation Plan	10-Q/A	001-31560	10.56	1/31/2013	
10.44	Second Amendment, dated April 30, 2013, to the Credit Agreement, dated as of January 18, 2011	10-Q	001-31560	10.1	5/1/2013	
10.45+	First Amendment, dated April 30, 2013, to the U.S. Guarantee Agreement, dated as of January 18, 2011	10-Q	001-31560	10.2	5/1/2013	
10.46+	Summary description of Seagate Technology plc's Compensation Policy for Non-Management Members of the Board of Directors with an effective date of October 30, 2013					X
21.1	List of Subsidiaries					X
23.1	Consent of Independent Registered Public Accounting Firm					X
24.1	Power of Attorney (see signature page to this annual report)					X
31.1	Certification of the Chief Executive Officer pursuant to rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of the Chief Financial Officer pursuant to rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X

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Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
101.INS	XBRL Instance Document.					X
101.SCH	XBRL Taxonomy Extension Schema Document.					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.					X

+ Management contract or compensatory plan or arrangement.

The certifications attached as Exhibit 32.1 that accompany this Annual Report on Form 10-K, are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Seagate Technology plc under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Form 10-K, irrespective of any general incorporation language contained in such filing.