



Seagate to Acquire LSI's Flash Businesses From Avago

May 29, 2014

Accelerates Seagate's Entrance into PCIe Market and Strengthens SSD Controller Capabilities

CUPERTINO, Calif. & SAN JOSE, Calif. & SINGAPORE--(BUSINESS WIRE)--May 29, 2014-- Seagate Technology plc (NASDAQ: STX), a world leader in storage solutions, and Avago Technologies Limited (NASDAQ: AVGO), a leading semiconductor device supplier to the enterprise storage, wired, wireless and industrial end markets, today announced that they have entered into a definitive asset purchase agreement under which Seagate will acquire the assets of LSI's Accelerated Solutions Division ("ASD") and Flash Components Division ("FCD") from Avago for \$450 million in cash.

The acquisition strengthens Seagate's strategy to deliver a full suite of storage solutions, providing Seagate with established Enterprise PCIe flash and SSD controller capabilities to deliver solutions for the growing flash storage market. LSI's ASD business, which is the second largest player in the PCIe flash space, offers a highly differentiated enterprise-grade PCIe flash solution focused on the high-growth cloud and hyperscale markets. LSI's FCD business, led by its SandForce SF2000 and SF3700 controller products, is driving a multi-product roadmap to address volume markets.

"Seagate is committed to providing our customers with a complete range of storage solutions, and this acquisition will significantly enhance our flash storage offerings to supplement our existing portfolio," said Steve Luczo, Seagate chairman and CEO. "LSI's ASD business has the broadest PCIe flash product offering and intellectual property in the market today and the FCD business has best-in-class SSD controllers with proven support for a wide range of applications. This acquisition immediately boosts Seagate's range and depth of flash storage capabilities today, and these teams bring to Seagate the expertise to accelerate our roadmap in this important and growing market."

In fiscal 2015, Seagate would expect the combination of its enterprise SSD product line and these SSD Controller families to generate revenues of at least \$150 million and be slightly accretive to the company gross margin with operating margin headwind of \$30 to \$40 million. As Seagate drives operational synergies and leverages its SSD technology into its product portfolio, the company would expect the operating margin contribution from its SSD business to be neutral to positive in fiscal 2016 and beyond.

The transaction is expected to close in the third quarter of calendar year 2014, subject to the satisfaction of customary closing conditions and the receipt of certain regulatory approvals, including those required by the Hart-Scott-Rodino Antitrust Improvements Act.

About Seagate

Seagate is a world leader in hard disk drives and storage solutions. Learn more at www.Seagate.com. Seagate and Seagate Technology are registered trademarks of Seagate Technology LLC.

About Avago Technologies

Avago Technologies is a leading designer, developer and global supplier of a broad range of analog, digital, mixed signal and optoelectronics components and subsystems with a focus in III-V compound semiconductor design and processing. Backed by an extensive portfolio of intellectual property, Avago products serve four primary target markets: wireless communications, wired infrastructure, enterprise storage, and industrial and other. For more information, visit Avago's website: www.avagotech.com.

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Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, each as amended, including, in particular, statements about our plans, strategies and prospects and estimates of industry growth for the fiscal quarter ending 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 the Company as of the date of this press release and are based on management's current views and assumptions. These forward-looking statements are conditioned upon and also involve a number of known and unknown risks, uncertainties, and other factors that could cause actual results, performance or events to differ materially from those anticipated by these forward-looking statements. Such risks, uncertainties, and other factors may be beyond the Company's control and may pose a risk to the Company's operating and financial condition. Such risks and uncertainties include, but are not limited to: the uncertainty in global economic conditions, as consumers and businesses may defer purchases in response to tighter credit and financial news; the impact of the variable demand and adverse pricing environment for the flash storage market, including PCIe flash and SSD controller solutions, particularly in view of current business and economic conditions; dependence on the Company's ability to successfully qualify, manufacture and sell its flash storage products, including PCIe flash and SSD controller solutions, in increasing volumes on a cost-effective basis and with acceptable quality; the impact of competitive product announcements; and the Company's ability to achieve projected cost savings. Information concerning risks, uncertainties and other factors that could cause results to differ materially from the expectations described in this press release is contained in the Company's Quarterly Reports on Form 10-Q filed with the U.S. Securities and Exchange Commission (the "SEC") on January 28, 2014 and April 29, 2014, and the Company's Annual Report on Form 10-K filed with the SEC on August 7, 2013, the "Risk Factors" section of which is incorporated into this press release by reference. These forward-looking statements should not be relied upon as representing the Company's views as of any subsequent date and the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date they were made.



Source: Seagate Technology plc and Avago Technologies Limited

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