

SEAGATE TECHNOLOGY

FORM 8-K
(Current report filing)

Filed 8/29/2007 For Period Ending 8/23/2007

Address	P.O. BOX 309GT, UGLAND HOUSE SOUTH CHURCH STREET, GEORGE TOWN GRAND CAYMAN, 00000
Telephone	345-949-8066
CIK	0001137789
Industry	Computer Storage Devices
Sector	Technology
Fiscal Year	06/30

Powered By **EDGAR**Online

<http://www.edgar-online.com/>

© Copyright 2006. All Rights Reserved.

Distribution and use of this document restricted under EDGAR Onlines Terms of Use.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (date of earliest event reported): August 23, 2007

SEAGATE TECHNOLOGY

(Exact Name of Registrant as Specified in its Charter)

Cayman Islands
(State or Other Jurisdiction
of Incorporation)

001-31560
(Commission
File Number)

98-0355609
(IRS Employer
Identification Number)

**P.O. Box 309GT, Ugland House, South Church Street,
George Town, Grand Cayman, Cayman Islands**
(Address of Principal Executive Office)

NA
(Zip Code)

Registrant's telephone number, including area code: **(345) 949-8066**

NA
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

TABLE OF CONTENTS

- Item 1.01. Entry Into a Material Definitive Agreement
- Item 2.02. Results of Operations and Financial Condition
- Item 9.01. Financial Statements and Exhibits

SIGNATURE

EXHIBIT INDEX

EXHIBIT 99.1

Table of Contents

Item 1.01. Entry Into a Material Definitive Agreement

FY 2007 Annual Incentive Bonus Plan Determination

On August 23, 2007, the Compensation Committee of Seagate Technology's Board of Directors (the "Compensation Committee") determined that the company did not achieve the threshold level of adjusted non-GAAP earnings per share required to fund bonus payments, which the Compensation Committee previously established under the company's Annual Incentive Bonus Plan ("Plan") for the fiscal year ended June 29, 2007 ("FY 2007"). As a result, no annual bonuses were approved for payment to the company's executive officers for FY 2007.

FY 2008 Annual Incentive Bonus Plan Funding & Performance Metrics

On August 23, 2007, the Compensation Committee also authorized the performance metrics and funding targets to be used for calculating annual bonus awards to each of the company's executive officers for the fiscal year ending June 27, 2008 ("FY 2008") under the Plan. The maximum funding level under this Plan for FY 2008 is 200% of the target funding level. The funding of the Plan is determined based on the company's performance with respect to an adjusted non-GAAP earnings per share goal and certain corporate quality goals relating to minimizing defective parts and product returns. The funded amount is allocated among eligible participants in the Plan based upon their base salary and their target bonus expressed as a percentage of base salary. For FY 2008, the Compensation Committee decided to retain the same target bonus levels, expressed as a percentage of base salary, for our senior executive officers (William D. Watkins, David A. Wickersham, Charles C. Pope, Brian S. Dexheimer, and Jaroslaw S. Glembocki), who will be included as the Named Executive Officers in the company's FY 2007 proxy statement, as were in effect for FY 2007.

The target bonus levels for FY2008 for the company's senior executive officers are as follow:

NAME AND POSITION	Target Bonus (% of FY 2008 Base Salary)
William D. Watkins, Chief Executive Officer	150
David A. Wickersham, President and Chief Operating Officer	125
Charles C. Pope, Executive Vice President and Chief Financial Officer	125
Brian S. Dexheimer, Executive Vice President and Chief Sales & Marketing Officer	125
Jaroslaw S. Glembocki, Senior Vice President, Global Disc Storage Operations	80

Each individual would receive his or her target bonus in the event that this Plan is funded at the target funding level. In addition to the target bonus expressed as a percentage of base salary approved for each individual, a fixed amount of \$2 million will be set aside for distribution to the company's executive officers in proportion to the amount of their target bonus in the event that the minimum level of adjusted non-GAAP earnings per share is achieved. This amount may be reduced by the Compensation Committee in its discretion. Separately, the Compensation Committee has the discretion to award a supplemental bonus outside of the Plan based on outstanding individual performance.

Table of Contents

Item 2.02. Results of Operations and Financial Condition

On August 28, 2007, the company issued a press release to update its outlook for the fiscal quarter ended September 28, 2007. A copy of the press release is furnished as Exhibit 99.1 to this Current Report and is incorporated herein by reference.

The information in this Current Report, including the exhibit hereto, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. The information contained herein and in the accompanying exhibit shall not be incorporated by reference into any registration statement or other document filed with the Securities and Exchange Commission by the company, whether made before or after the date hereof, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Exhibit Title or Description
99.1	Press release issued by Seagate Technology, dated August 28, 2007

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SEAGATE TECHNOLOGY

Date: August 28, 2007

By: /s/ WILLIAM L. HUDSON
Name: William L. Hudson
Title: Executive Vice President, General
Counsel and Secretary

EXHIBIT INDEX

Exhibit Number	Exhibit Title or Description
99.1	Press release issued by Seagate Technology, dated August 28, 2007



EXHIBIT 99.1

Press Release

Media Relations Contact:
Brian Ziel (831.439.5429)
brian.ziel@seagate.com

Investor Relations Contact:
Rod Cooper (831.439.2371)
rod.j.cooper@seagate.com

SEAGATE TECHNOLOGY UPDATES FISCAL FIRST QUARTER 2008 OUTLOOK

- Raising revenue, gross margin and earnings outlook for the September quarter

SCOTTS VALLEY, CA — August 28, 2007 — Seagate Technology (NYSE: STX) today provided an update of its expected results for the fiscal first quarter 2008 which ends September 28, 2007. The company now expects revenue of \$3.15 - \$3.25 billion, GAAP diluted earnings per share of \$0.57 - \$0.61 and non-GAAP diluted earnings per share, which excludes \$27 million of purchased intangibles amortization and other charges associated with the Maxtor and EVault acquisitions, of \$0.62 - \$0.66.

The company's original outlook for the first fiscal quarter was for revenue of \$2.9 - \$3.0, GAAP diluted earnings per share of \$0.35 - \$0.39 and non-GAAP diluted earnings per share, which excludes \$27 million of purchased intangibles amortization and other charges associated with the Maxtor and EVault acquisitions, of \$0.40 - \$0.44.

The primary factors leading to the improved outlook for the first fiscal quarter are [1] industry unit demand at the high-end of the predicted range; [2] favorable pricing thus far in the quarter reflecting a more balanced supply and demand environment, and [3] a better product mix.

Gross margin is expected to expand to approximately 24% due to the demand, pricing and product mix factors referenced above. Operating expenses (R&D and SG&A) are expected to increase above the company's previous outlook due to higher variable compensation costs. The revised outlook assumes a 6% tax rate and diluted shares outstanding of 555 million.

Given the typical shipment profile for a September quarter and the dynamic nature of the demand and pricing environment, actual results during the balance of the quarter will heavily influence the company's financial performance for the quarter.

About Seagate

Seagate is the worldwide leader in the design, manufacture and marketing of hard disc drives, providing products for a wide-range of applications, including Enterprise, Desktop, Mobile Computing, Consumer Electronics and Branded Solutions. Seagate's business model leverages technology leadership and world-class manufacturing to deliver industry-leading innovation and quality to its global customers, and to be the low cost producer in all markets in which it participates. The company is committed to providing award-winning products, customer support and reliability to meet the world's growing demand for information storage. Seagate can be found around the globe and at www.seagate.com.

Safe Harbor

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements relate to the company's expected revenue, gross margin and earnings per share (presented on a GAAP basis as well as on a non-GAAP adjusted basis) for its first fiscal quarter. These forward-looking statements are based on information available to Seagate as of the date of this press release. Current expectations, forecasts and assumptions involve a number of risks and uncertainties that could cause actual results to differ materially from those anticipated by these forward-looking statements. Such risks and uncertainties include a variety of factors, some of which are beyond the company's control. In particular, such risks and uncertainties include the impact of the variable demand and the aggressive pricing environment for disc drives. Information concerning additional factors that could cause results to differ materially from those projected in the forward-looking statements is contained in the company's Annual Report on Form 10-K as filed with the U.S. Securities and Exchange Commission on August 27, 2007. These forward-looking statements should not be relied upon as representing the company's views as of any subsequent date and Seagate undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date they were made.

###