

SEAGATE TECHNOLOGY  
Form S-4  
March 14, 2006  
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As filed with the Securities and Exchange Commission on March 14, 2006

Registration No. 333-

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

SEAGATE TECHNOLOGY

*(Exact name of registrant as specified in its charter)*

Cayman Islands (State or other jurisdiction of incorporation or organization)	3572 (Primary Standard Industrial Classification Code Number)	98-0355609 (I.R.S. Employer Identification No.)
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P.O. Box 309GT, Ugland House, South Church Street

George Town, Grand Cayman, Cayman Islands

(345) 949-8066

*(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)*

CT Corporation System

818 West Seventh Street, Suite 200

Los Angeles, California 90017

(800) 888-9207

*(Name, address, including zip code, and telephone number, including area code, of agent for service)*

*Copies to:*

William L. Hudson, Esq.    William H. Hinman, Jr., Esq.    Larry W. Sonsini, Esq.    William O. Sweeney, Esq.    Diane Holt Frankle, Esq.

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<b>Executive Vice President, General Counsel and Secretary</b>	<b>Simpson Thacher &amp; Bartlett LLP</b>	<b>Wilson Sonsini Goodrich &amp; Rosati</b>	<b>Vice President, General Counsel and Secretary</b>	<b>DLA Piper Rudnick Gray Cary US LLP</b>
<b>Seagate Technology</b>	<b>2550 Hanover Street</b>	<b>Professional Corporation</b>	<b>Maxtor Corporation</b>	<b>2000 University Avenue</b>
<b>920 Disc Drive</b>	<b>Palo Alto, California 94304</b>	<b>650 Page Mill Road</b>	<b>500 McCarthy Boulevard</b>	<b>East Palo Alto, California 94303</b>
<b>P.O. Box 66360</b>	<b>(650) 251-5000</b>	<b>Palo Alto, California 94304</b>	<b>Milpitas, California</b>	<b>(650) 833-2000</b>
<b>Scotts Valley, California 95067</b>		<b>(650) 493-9300</b>	<b>95035</b>	
<b>(831) 438-6550</b>			<b>(408) 894-5000</b>	

**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable after this registration statement becomes effective and all other conditions to the proposed merger described herein have been satisfied or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

<b>Title of each class of securities to be registered</b>	<b>Amount to be registered</b>	<b>Proposed</b>	<b>Proposed</b>	<b>Amount of registration fee</b>
		<b>maximum offering price per share Not Applicable</b>	<b>maximum aggregate offering price</b>	
Common Shares, par value \$0.00001 per share	287,487,727(1)	Applicable	\$ 2,489,643,716(2)	\$ 266,392(3)

- (1) The number of shares being registered is based upon (x) an estimate of the maximum number of shares of common stock, par value \$0.01 per share, of Maxtor Corporation presently outstanding or issuable or expected to be issued in connection with the merger of Maxtor Corporation with a wholly-owned subsidiary of the registrant including shares issuable upon the exercise of Maxtor options, restricted stock and restricted stock units that will be assumed by the registrant in the merger and multiplied by (y) the exchange ratio of 0.37 common shares, par value \$0.00001 per share, of the registrant, for each share of common stock of Maxtor Corporation.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f) under the Securities Act of 1933, as amended. The proposed maximum aggregate offering price is the product of (x) \$8.66, the average of the high and low sales prices of Maxtor common stock, as quoted on the New York Stock Exchange, on March 10, 2006, and (y) 287,487,727, the estimated maximum number of shares of Maxtor common stock that may be exchanged for the common shares of the registrant being registered.
- (3) Calculated by multiplying the proposed maximum aggregate offering price of securities to be registered by .000107.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this joint proxy statement/prospectus is not complete and may be changed. We may not sell the securities offered by this joint proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where an offer or solicitation is not permitted.**

**PRELIMINARY SUBJECT TO COMPLETION DATED MARCH , 2006**

**MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT**

Seagate Technology and Maxtor Corporation have entered into an agreement and plan of merger pursuant to which Seagate will acquire Maxtor. The combination of Seagate and Maxtor is expected to build on Seagate's foundation as the premier global hard disc drive company, leveraging the strength of Seagate's significant operating scale to drive product innovation and maximize operational efficiencies. We believe the combined company will be well-positioned to accelerate delivery of a diverse set of compelling and cost-effective solutions to the growing customer base for data storage products.

If the merger is completed, each outstanding share of Maxtor common stock will be converted into the right to receive 0.37 Seagate common shares. This exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the closing. The value of the merger consideration to be received in exchange for each share of Maxtor common stock will fluctuate with the market price of Seagate common shares. Based on the closing sale price for Seagate common shares on December 20, 2005, the last trading day before public announcement of the merger, the 0.37 exchange ratio represented approximately \$7.25 in value for each share of Maxtor common stock. Based on the closing sale price for Seagate common shares on , 2006, the last trading day before the printing of this joint proxy statement/prospectus for which it was practicable to obtain this information, the 0.37 exchange ratio represented approximately \$ in value for each share of Maxtor common stock. Upon completion of the merger, Maxtor's former stockholders will own approximately 16% of the then outstanding Seagate common shares, based on the number of shares of Seagate and Maxtor outstanding on , 2006. Seagate's shareholders will continue to own their existing shares, which will not be affected by the merger. Seagate common shares are listed on the New York Stock Exchange under the symbol **STX**. Maxtor common stock is listed on the New York Stock Exchange under the symbol **MXO**. We urge you to obtain current market quotations for the shares of Seagate and Maxtor.

**Your vote is very important.** The merger cannot be completed unless, among other things, Seagate's shareholders approve the issuance of Seagate common shares in the merger and Maxtor's stockholders adopt the merger agreement. We are each holding meetings of our stockholders to vote on the proposals necessary to complete the merger and, in the case of Maxtor, to approve certain other matters unrelated to the merger described in this joint proxy statement/prospectus. Information about these meetings, the merger and the other business to be considered by Maxtor stockholders is contained in this joint proxy statement/prospectus. We urge you to read this joint proxy statement/prospectus carefully. **You should also carefully consider the risk factors beginning on page 15.**

The dates, times and places of the meetings are as follows:

For Seagate shareholders:

For Maxtor stockholders:

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Whether or not you plan to attend your respective company's meeting, please submit your proxy as soon as possible to make sure that your shares are represented at that meeting.

Seagate's board of directors unanimously recommends that Seagate shareholders vote FOR the proposal to approve the issuance of Seagate common shares in the merger. Maxtor's board of directors unanimously recommends that Maxtor stockholders vote FOR the proposal to adopt the merger agreement and FOR the other Maxtor proposals described in this joint proxy statement/prospectus.

We strongly support the combination of our companies and join with our boards in recommending that you vote in favor of the proposals described in this joint proxy statement/prospectus.

William D. Watkins

President and Chief Executive Officer

Seagate Technology

Dr. C.S. Park

Chairman and Chief Executive Officer

Maxtor Corporation

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the merger or determined if this joint proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated \_\_\_\_\_, 2006, and is first being mailed to stockholders of Seagate and Maxtor on or about \_\_\_\_\_, 2006.

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**ADDITIONAL INFORMATION**

This document incorporates important business and financial information about Seagate Technology and Maxtor Corporation from other documents that are not included in or delivered with this document. This information is available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference in this document through the Securities and Exchange Commission website at <http://www.sec.gov> or by requesting them in writing or by telephone at the appropriate address below:

By Mail: Seagate Technology

920 Disc Drive

P.O. Box 66360

Scotts Valley, California 95067

Attention: Investor Relations

By Mail: Maxtor Corporation

500 McCarthy Boulevard,

Milpitas, California 95035

Attention: VP of Investor Relations

By Telephone: (831) 439-5337

By Telephone: (408) 894-5000

TO RECEIVE TIMELY DELIVERY OF THE DOCUMENTS IN ADVANCE OF THE MEETINGS, YOU SHOULD MAKE YOUR REQUEST NO LATER THAN \_\_\_\_\_, 2006.

See [Where You Can Find More Information](#) beginning on page 147.

**VOTING ELECTRONICALLY OR BY TELEPHONE**

Seagate shareholders of record on the close of business on \_\_\_\_\_, 2006, the record date for the Seagate extraordinary general meeting, may submit their proxies by telephone or internet by following the instructions on their proxy card or voting form. If you have any questions regarding whether you are eligible to submit your proxy by telephone or by internet, please contact Morrow & Co., Inc. by telephone at (800) 607-0088 (toll free) or by email at [seagate.info@morrowco.com](mailto:seagate.info@morrowco.com).

Maxtor stockholders of record on the close of business on \_\_\_\_\_, 2006, the record date for the Maxtor annual meeting, may submit their proxies by telephone or internet by following the instructions on their proxy card or voting form. If you have any questions regarding whether you are eligible to submit your proxy by telephone or by internet, please contact MacKenzie Partners, Inc. by telephone at (800) 322-2885 (toll free) or by email at [proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com).



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By order of the board of directors,

William L. Hudson

*Executive Vice President, General Counsel and Corporate Secretary*

, 2006

**PLEASE VOTE YOUR SHARES PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT VOTING YOUR SHARES, PLEASE CALL MORROW & COMPANY, INC. AT (800) 607-0088 OR BY EMAIL AT SEAGATE.INFO@MORROWCO.COM.**

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Maxtor Corporation  
500 McCarthy Boulevard,  
Milpitas, California 95035

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD , 2006**

To the Stockholders of Maxtor Corporation:

An annual meeting of Maxtor Corporation will be held at , on , 2006 at , Pacific Time, for the following purposes:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of December 20, 2005, by and among Seagate Technology, MD Merger Corporation, a Delaware corporation and wholly-owned subsidiary of Seagate, and Maxtor Corporation, as the same may be amended from time to time.
2. To consider and vote upon a proposal to elect three Class II directors to hold office until the 2009 Annual Meeting of Stockholders and until their respective successors have been elected and qualified.
3. To consider and vote upon a proposal to ratify the engagement of PricewaterhouseCoopers LLP as Maxtor's independent registered public accounting firm for the fiscal year ending December 30, 2006.
4. To consider and vote upon adjournment of the annual meeting to a later date or dates, if necessary, to solicit additional proxies if there are insufficient votes at the time of the annual meeting to approve the proposal to adopt the merger agreement.
5. To transact such other business as may properly come before the annual meeting or any adjournment or postponement thereof.

The accompanying joint proxy statement/prospectus further describes the matters to be considered at the annual meeting. A copy of the Agreement and Plan of Merger has been included as Annex A to the joint proxy statement/prospectus.

Maxtor's board of directors has set , 2006 as the record date for the annual meeting. Only holders of record of shares of Maxtor common stock at the close of business on , 2006 will be entitled to notice of and to vote at the annual meeting and any adjournments or postponements thereof. **To ensure your representation at the annual meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the internet.** Please vote promptly whether or not you expect to attend the annual meeting. Submitting a proxy now will not prevent you from being able to vote at the annual meeting by attending in person and casting a vote.



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**The board of directors of Maxtor Corporation unanimously recommends that you vote FOR the proposal to adopt the Agreement and Plan of Merger. The board of directors of Maxtor Corporation also unanimously recommends that you vote FOR the other Maxtor annual meeting proposals. Approval of the other Maxtor annual meeting proposals is not a condition to the merger.**

By order of the board of directors,

William O. Sweeney

*Vice President, General Counsel and Secretary*

, 2006

**PLEASE VOTE YOUR SHARES PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT VOTING YOUR SHARES, PLEASE CONTACT MACKENZIE PARTNERS, INC. BY TELEPHONE AT (212) 929-5500 (CALL COLLECT) OR (800) 322-2885 (TOLL FREE) OR BY EMAIL AT [PROXY@MACKENZIEPARTNERS.COM](mailto:PROXY@MACKENZIEPARTNERS.COM).**

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**QUESTIONS AND ANSWERS ABOUT THE SEAGATE EXTRAORDINARY GENERAL MEETING AND THE MAXTOR ANNUAL MEETING**

*The questions and answers below highlight only selected procedural information from this joint proxy statement/prospectus. They do not contain all of the information that may be important to you. You should read carefully the entire document and the additional documents incorporated by reference into this joint proxy statement/prospectus.*

**Q: Why am I receiving this joint proxy statement/prospectus?**

A: Seagate and Maxtor have agreed to the acquisition of Maxtor by Seagate under the terms of a merger agreement that is described in this joint proxy statement/prospectus. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A. We are delivering this document to you because it serves as both a joint proxy statement of Seagate and Maxtor and a prospectus of Seagate. It is a joint proxy statement because it is being used by our boards of directors to solicit the proxies of Seagate shareholders and Maxtor stockholders. It is a prospectus because Seagate is offering Seagate common shares in exchange for Maxtor common stock if the merger is completed.

In order to complete the merger, among other things, Seagate shareholders must vote to approve the issuance of Seagate common shares in the merger and Maxtor stockholders must vote to adopt the merger agreement. Seagate and Maxtor will hold separate meetings to obtain these approvals, and in the case of Maxtor, to approve certain other matters unrelated to the merger.

**Q: What do I need to do now?**

A: After you have carefully read and considered the information contained in this joint proxy statement/prospectus, please respond by completing, signing and dating your proxy card and returning it in the enclosed postage-paid envelope, or, if available, by submitting your proxy by telephone or through the Internet, as soon as possible so that your shares may be represented at your meeting.

**Q: What vote of Seagate shareholders is required to approve the issuance of Seagate common shares in the merger?**

A: The affirmative vote of the holders of a majority of the Seagate common shares represented and voting at the extraordinary general meeting is required to approve the issuance of Seagate common shares in the merger. Pursuant to voting agreements entered into by certain Seagate shareholders, including Seagate's executive officers and directors, these shareholders have agreed, among other things and subject to limited exceptions, to vote their Seagate common shares in favor of the issuance of Seagate common shares in the merger. As of the record date for the extraordinary general meeting, these shareholders beneficially owned approximately \_\_\_\_\_ Seagate common shares representing approximately \_\_\_\_\_ % of the outstanding Seagate common shares.

**Q: What vote of Maxtor stockholders is required to adopt the merger agreement?**

A: The affirmative vote of the holders of a majority of the shares of Maxtor common stock outstanding on the record date is required to adopt the merger agreement. If you are a Maxtor stockholder and fail to vote on the proposal to adopt the merger agreement, that will have the same effect as a vote AGAINST adoption of the merger agreement.

Q:

**What vote of stockholders is required for the other proposals to be considered at Maxtor's annual meeting and Seagate's extraordinary general meeting?**

A: For Maxtor's proposal regarding the election of Maxtor's Class II Directors, the affirmative vote of a plurality of the votes cast at the annual meeting is required to approve the election of

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each director nominee. For Maxtor's proposals regarding the ratification of engagement of PricewaterhouseCoopers LLP as Maxtor's independent registered accounting firm for the current fiscal year and regarding adjournments of the Maxtor annual meeting, the affirmative vote of the holders of a majority of the shares of Maxtor common stock represented and voting at the Maxtor annual meeting is required.

For Seagate's proposal regarding adjournments of the Seagate extraordinary general meeting, the affirmative vote of the holders of a majority of the shares of Seagate common shares represented and voting at the Seagate extraordinary meeting is required.

**Q: As a Maxtor stockholder, why am I electing directors and ratifying the engagement of an independent registered public accounting firm when I am being asked to adopt the merger agreement?**

A: Delaware law requires Maxtor to hold a meeting of its stockholders each year. Maxtor has determined it will observe this requirement and hold an annual meeting of its stockholders to elect directors and ratify the engagement of PricewaterhouseCoopers LLP. The directors elected at the Maxtor annual meeting will serve as directors of Maxtor following the Maxtor annual meeting through the earlier of the closing of the merger or Maxtor's 2009 annual meeting. Effective upon the closing of the merger, the individuals serving as Maxtor directors immediately prior to the closing of the merger will no longer be Maxtor directors and Dr. C.S. Park, the Chairman and Chief Executive Officer of Maxtor, will be appointed to the Seagate board of directors. PricewaterhouseCoopers LLP will not continue to conduct independent audits of Maxtor following the merger. The election of the Maxtor Class II directors, the ratification of the engagement of PricewaterhouseCoopers LLP as Maxtor's independent registered public accounting firm and the Seagate and Maxtor adjournment proposals are not conditions to the merger.

**Q: If my shares are held in street name by my broker or bank, will my broker or bank automatically vote my shares for me?**

A: Your broker or bank will not be able to vote your shares without instructions from you other than with respect to the election of the Maxtor Class II directors or the ratification of the engagement of PricewaterhouseCoopers LLP as Maxtor's independent registered public accounting firm by Maxtor stockholders. You should instruct your broker or bank to vote your shares by following the instructions your broker or bank provides. If you do not instruct your broker or bank, they will not have the discretion to vote your shares except with respect to the Maxtor annual meeting matters noted above.

**Q: Can I change my vote?**

A: Yes, you may change your vote at any time before your proxy is voted at your meeting.

If you are the record holder of your shares, you can change your vote in any of the three following ways:

You may send a written notice to the Corporate Secretary of Seagate, 920 Disc Drive, Scotts Valley, California 95066 or the Secretary of Maxtor, 500 McCarthy Boulevard, Milpitas, California 95035 as appropriate, stating that you would like to revoke your proxy.

You may complete and submit a new proxy card or submit a new proxy by telephone or the Internet. The latest vote received before your meeting will be counted, and any earlier proxies will be revoked.

You may attend your meeting and vote in person. Any earlier proxy will be revoked. However, simply attending your meeting without voting will not revoke your proxy.



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If your shares are held in street name, you should contact your broker or bank and follow the directions you receive from your broker or bank in order to change or revoke your vote.

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**Q: If I hold my Maxtor shares in certificated form, should I send in my Maxtor stock certificates now?**

A: No. Please DO NOT send your stock certificates with your proxy card. Maxtor stockholders will receive written instructions from the exchange agent after the merger is completed on how to exchange Maxtor stock certificates you may have for the merger consideration. Seagate shareholders will not need to send in their share certificates.

**Q: When do you expect the merger to be completed?**

A: If Seagate shareholders approve the issuance of Seagate common shares at the Seagate extraordinary general meeting and Maxtor stockholders adopt the merger agreement at the Maxtor annual meeting, we expect to complete the merger as soon as possible after the satisfaction of the other conditions to the merger, including receipt of required regulatory approvals. There may be a substantial period of time between the meetings and the completion of the merger. We currently expect to complete the merger early in the second half of 2006; however, we cannot assure you when or if the merger will occur.

**Q: What are the material U.S. federal income tax consequences of the merger to U.S. holders of Maxtor common stock?**

A: The merger has been structured to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. Assuming the merger qualifies as a Code Section 368 reorganization and that Seagate is treated as a corporation under Code Section 367(a), U.S. holders of Maxtor common stock will not recognize gain or loss for United States federal income tax purposes upon the exchange of shares of Maxtor common stock for Seagate common shares, except with respect to cash received in lieu of fractional shares of Seagate common shares and except for any U.S. holder who is a five-percent shareholder of Seagate after the merger and who fails to file a gain recognition agreement as described in applicable U.S. Treasury regulations.

**Tax matters are very complicated, and the tax consequences of the merger applicable to a particular stockholder will depend in part on each stockholder's circumstances. Accordingly, we urge you to consult your own tax advisor for a full understanding of the tax consequences of the merger to you, including the applicability and effect of federal, state, local and foreign income and other tax laws.**

For more information, please see the section entitled "Seagate Proposal 1 and Maxtor Proposal 1 - The Merger - Material Tax Consequences" on page 67 of this joint proxy statement/prospectus.

**Q: Am I entitled to appraisal rights?**

A: Neither Seagate shareholders nor Maxtor stockholders will be entitled to exercise any dissenters' rights of appraisal in connection with the transactions contemplated by the merger agreement.

**Q: Who can help answer my questions?**

A: If you have any questions about the matters to be voted upon at your meeting or how to submit your proxy, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy card, you should contact:

if you are a Seagate shareholder:

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Seagate Technology, Executive Director of Investor Relations

Telephone: (831) 439-5337

or

Morrow & Co., Inc.

Telephone: (800) 607-0088 (toll free)

Email: *seagate.info@morrowco.com*

if you are a Maxtor stockholder:

Maxtor Corporation, VP of Investor Relations

Telephone: (408) 894-5000

or

MacKenzie Partners, Inc.

Telephone: (800) 322-2885 (toll free)

Email: *proxy@mackenziepartners.com*

If your broker or bank holds your shares, you should also contact your broker or bank for additional information.

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**SUMMARY**

*This summary highlights selected information from this document. It does not contain all of the information that may be important to you. We urge you to read carefully the entire document and the other documents to which this document refers in order to fully understand the merger and the related transactions. See *Where You Can Find More Information* beginning on page 147. Each item in this summary refers to the page of this document on which that subject is discussed in more detail.*

**The Companies (see page 21)**

**Seagate Technology**

Seagate is a worldwide leader in the design, manufacturing and marketing of hard disc drives, providing products for a wide-range of enterprise, desktop, mobile computing, and consumer electronics applications. 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. The address of Seagate's principal executive offices is P.O. Box 309GT, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands, and its telephone number at that address is (345) 949-8066. The address of Seagate's U.S. executive offices is 920 Disc Drive, Scotts Valley, California 95066 and its telephone number at that address is (831) 438-6550.

**Maxtor Corporation**

Maxtor Corporation is one of the world's leading suppliers of information storage solutions. The company has an expansive line of storage products for desktop computers, near-line storage, high-performance Intel-based servers and consumer electronics. The address of Maxtor's principal executive offices is 500 McCarthy Boulevard, Milpitas, California 95035 and its telephone number at that address is (408) 894-5000.

**The Merger (see page 75)**

We are proposing a merger of MD Merger Corporation, a newly formed wholly-owned subsidiary of Seagate which is referred to as Merger Sub, with and into Maxtor, with Maxtor as the surviving corporation. If the merger is completed, Maxtor will become a wholly-owned subsidiary of Seagate. The merger agreement is attached to this document as Annex A. Please carefully read the merger agreement as it is the legal document that governs the merger.

**What Maxtor Stockholders Will Receive in the Merger (see page 75)**

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Upon completion of the merger, each outstanding share of Maxtor common stock will be converted into the right to receive 0.37 Seagate common shares. No fractional Seagate common shares will be issued in the merger. Instead of fractional shares, Maxtor stockholders will receive cash in an amount determined by multiplying the fractional interest to which such holder would otherwise be entitled by the average of the closing sale prices of one Seagate common share for the twenty trading days immediately preceding completion of the merger.

### **What Holders of Maxtor Stock Options and Restricted Stock Units Will Receive in the Merger (see page 76)**

Upon completion of the merger, outstanding and unexercised Maxtor stock options will be converted automatically into options to purchase Seagate common shares. The number of shares subject to such options and the exercise price of the options will be adjusted based on the fixed exchange ratio of 0.37. In addition, each outstanding Maxtor restricted stock unit award representing a right to receive Maxtor common stock will be assumed by Seagate upon completion of the merger and converted automatically into a right to receive upon settlement

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a number of Seagate common shares based on the fixed exchange ratio of 0.37.

### **Voting Agreements with Certain Seagate Shareholders (see page 88)**

Maxtor has entered into voting agreements with certain Seagate shareholders, including the executive officers and directors of Seagate, pursuant to which these shareholders agreed, among other things and subject to limited exceptions, to vote their Seagate common shares in favor of the issuance of Seagate common shares in the merger. As of the record date, these shareholders owned        Seagate common shares representing approximately        % of the outstanding Seagate common shares. The form of the voting agreements is attached to this document as Annex B.

### **Material Tax Consequences (see page 67)**

The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. Accordingly, holders of Maxtor common stock generally will not recognize any gain or loss for federal income tax purposes on the exchange of their Maxtor common stock for Seagate common shares in the merger, except for any gain or loss that may result from the receipt of cash instead of a fractional Seagate common share. There will be no federal income tax consequences to a holder of Seagate common shares as a result of the merger.

**Tax matters are complicated and the tax consequences to you of the merger will depend on your particular tax situation (e.g., the above consequences may not apply to you if you are a five-percent transferee shareholder). In addition, you may be subject to state, local or foreign tax laws that are not discussed in this joint proxy statement/prospectus. You should consult your own tax advisor to fully understand the tax consequences of the merger to you.**

### **Opinion of Seagate's Financial Advisor (see page 45)**

Morgan Stanley & Co. Incorporated, which is referred to as Morgan Stanley, has rendered its opinion to the Seagate board of directors that, as of December 20, 2005, and based upon and subject to the factors, assumptions, qualifications and limitations set forth therein, the exchange ratio of 0.37 Seagate common shares to be received for each share of Maxtor common stock pursuant to the merger agreement was fair from a financial point of view to Seagate.

The full text of the written opinion of Morgan Stanley, dated December 20, 2005, is attached as Annex C to this joint proxy statement/prospectus and sets forth assumptions made, general procedures followed, factors considered and limitations and qualifications on the review undertaken by Morgan Stanley in connection with its opinion. Morgan Stanley provided its opinion for the information and assistance of the Seagate board of directors in connection with its consideration of the merger. The Morgan Stanley opinion is not a recommendation as to how any holder of Seagate common shares should vote with respect to the merger. The Morgan Stanley opinion also does not address the prices at which Seagate common shares will trade following consummation of the merger or at any other time.

### **Opinion of Maxtor's Financial Advisor (see page 53)**

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Citigroup Global Markets Inc., which is referred to as Citigroup, has rendered its opinion to the Maxtor board of directors to the effect that, as of December 20, 2005, and based upon and subject to the factors, assumptions, qualifications and limitations set forth therein, the exchange ratio of 0.37 Seagate common shares to be received for each share of Maxtor common stock pursuant to the merger agreement was fair from a financial point of view to the holders of such shares of Maxtor common stock.

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The full text of the written opinion of Citigroup, dated December 20, 2005, is attached as Annex D to this joint proxy statement/prospectus and sets forth assumptions made, general procedures followed, factors considered and limitations and qualifications on the review undertaken by Citigroup in connection with its opinion. Citigroup provided its opinion for the information and assistance of the Maxtor board of directors in connection with its consideration of the merger. The Citigroup opinion is not a recommendation as to how any holder of shares of Maxtor common stock should vote with respect to the merger.

**Reasons for the Merger (see page 41)**

The boards of directors and management teams of both Seagate and Maxtor identified several reasons for, and potential benefits to their stockholders of, the merger creating the combined company, including the following:

by enhancing scale, financial strength and capacity, the combined company will be better able to compete in the dynamic, rapidly evolving storage market;

the combined company will be able to leverage the companies' extensive research and development platforms and other technological resources in order to provide customers more innovative, diverse and compelling storage products and to get them to market more quickly and at more competitive prices;

the combined company will have expanded capacity to better meet growing demand for higher capacity storage products and storage products for new applications;

the enhanced scale of the combined company will result in significant production efficiencies and reduced product costs; and

the combined company is expected to generate significant cost synergies in the form of approximately \$300 million in annual operating expense savings after the first full year of integration, including from combined research and development and sales and marketing efforts, as well as reduced supply chain costs.

Maxtor's board of directors considered a number of additional factors, including, but not limited to:

the premium represented by the merger consideration to the range of recent trading prices of Maxtor common stock;

the percentage ownership in the combined company represented by the merger consideration, which the Maxtor board believed was consistent with Maxtor's contributions to the combined entity;

the opportunity for Maxtor stockholders to participate in the potential growth and prosperity of a combined company as compared to the alternatives of Maxtor continuing as an independent company under its current turnaround plan, restructuring or engaging in another business combination;



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the projected long term stockholder value represented by the combined company, including synergies, which exceeded the projected stockholder value based on Maxtor's long range operating plan;

the assessment by Maxtor's board of directors and Maxtor's management that the merger and Seagate's operating strategy are consistent with Maxtor's long-term strategic goals to seek to increase return on investment, improve time to market, broaden its product offerings, and reduce dependence on third party suppliers; and

Maxtor's business, financial performance and condition, operations, management, competitive position and prospects, including increasing competition; continuing adverse impact to gross margin from the cost of heads and other key components; execution difficulties in product development and production adversely affecting quality and time to market for new products; difficulties in achieving a reasonable return on investment in research and development; engineering

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resource constraints; the lack of a 1 product, a 2.5 product and a fibre channel product; the need for improved processes to manage an increasingly complex business model; and the additional capital required for Maxtor to remain competitive.

Maxtor's board of directors also considered the potential risks of the merger, as described under Seagate Proposal 1 and Maxtor Proposal 1. The Merger Maxtor's Additional Reasons for the Merger and Board Recommendation and Risk Factors.

### **Recommendation of Seagate's Board of Directors (see page 41)**

Seagate's board of directors has unanimously determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Seagate and its shareholders. Seagate's board of directors unanimously recommends that Seagate shareholders vote FOR the issuance of Seagate common shares in the merger.

### **Recommendation of Maxtor's Board of Directors (see page 41)**

Maxtor's board of directors has unanimously determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Maxtor and its stockholders. Maxtor's board of directors unanimously recommends that Maxtor stockholders vote FOR adoption of the merger agreement.

### **Interests of Maxtor's Directors and Executive Officers in the Merger (see page 62)**

Maxtor's executive officers and directors have financial interests in the merger that are different from, or in addition to, the interests of Maxtor stockholders. These interests include rights of executive officers under change of control agreements with Maxtor, rights under equity compensation awards of Maxtor, and rights to continued indemnification and insurance coverage by Seagate after the merger for acts or omissions occurring before the merger. The Maxtor board of directors was aware of these interests and considered them in its decision to approve the merger agreement.

### **Regulatory Approvals Required for the Merger (see page 71)**

The competition laws of the United States and several other countries prohibit Seagate and Maxtor from completing the merger until (i) they have given notification and furnished information relating to the operations of Seagate and Maxtor and the markets in which they operate, and (ii) the applicable waiting periods expire or the merger is approved or granted early termination.

On January 13, 2006, Seagate and Maxtor each filed a premerger notification and report form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and merger review was assigned to the Federal Trade Commission. The HSR waiting period expired on February 13, 2006 at 11:59 p.m., New York City time. As a result, no further anti-trust regulatory review of the merger will be necessary in the United States.

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Seagate and Maxtor each conduct business in Member States of the European Union. Council Regulation (EC) No. 139/2004 requires notification to and approval by the European Commission of mergers or acquisitions involving parties with aggregate worldwide sales and individual European Union sales exceeding specified thresholds. The parties are in pre-notification discussions with the European Commission case team and Seagate anticipates filing on or before March 20, 2006. Pursuant to Council Regulation (EC) No. 139/2004 the European Commission has 25 working days from the day following the date of notification, which period may be extended under certain circumstances, in which to consider whether the merger would significantly impede effective competition in the common market or a substantial part of it, in particular as a result of the creating or strengthening of a dominant position (as defined in Council Regulation No. 139/2004). By the end of this period, the European Commission must issue a decision either clearing the merger or opening an in-depth Phase II investigation. A Phase II

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investigation extends the investigation period for a further 90 working days.

The merger is also conditional on receipt of regulatory approvals under the antitrust laws of Japan, Korea and Taiwan. Seagate and Maxtor have submitted or intend to submit in the near future merger notification filings in these jurisdictions. In addition, while not conditions in the merger agreement to the completion of the merger, the parties are seeking governmental approvals in other jurisdictions, including Brazil (where the notification has already been submitted), China, South Africa and Turkey. Seagate and Maxtor also intend to make submissions in Australia and New Zealand in the near future. Although Seagate and Maxtor do not expect the regulatory authorities to raise any significant objections to the merger, Seagate and Maxtor cannot assure you that all required regulatory approvals will be obtained or that these approvals will not require actions or contain restrictions or conditions that would be detrimental to Seagate or Maxtor.

**Conditions to Completion of the Merger (see page 83)**

As more fully described in this joint proxy statement/prospectus and the merger agreement, the completion of the merger depends on a number of mutual conditions being satisfied or waived, including:

the adoption of the merger agreement by Maxtor stockholders;

the approval of the issuance of Seagate common shares in the merger by Seagate shareholders;

the receipt of required regulatory approvals in the United States, the European Economic Area, Japan, Korea and Taiwan;

the absence of any law or order in any jurisdiction in which Seagate or Maxtor have substantial revenues or operations prohibiting or making illegal the consummation of the merger; and

the effectiveness of the registration statement of which this joint proxy statement/prospectus forms a part.

Each of Seagate's and Maxtor's obligations to complete the merger is also separately subject to the satisfaction or waiver of a number of conditions, including:

the other party's representations and warranties in the merger agreement being true and correct, subject to the materiality standards contained in the merger agreement and subject, in the case of Maxtor's representations and warranties, to the qualification that such representations and warranties will generally be deemed to be true and correct unless the failure to be true and correct results from the intentional misrepresentation by Maxtor as of the date of the merger agreement; and

material performance of and compliance by the other party of its covenants, subject, in the case of Maxtor's covenants, to the qualification that such covenants will generally be deemed to be performed and complied with unless the failure to so perform or comply is the result of an intentional breach by Maxtor.

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Maxtor's obligations to complete the merger are further subject to the satisfaction or waiver of the following conditions:

the absence of a material adverse effect on Seagate and Maxtor (taken together, as a whole) since the date of the merger agreement;  
and

the authorization of the Seagate common shares to be issued in the merger for listing on the New York Stock Exchange.

Seagate and Maxtor cannot be certain of when, or if, the conditions to the merger will be satisfied or waived or whether or not the merger will be completed.

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**Termination of the Merger Agreement (see page 84)**

Seagate and Maxtor can agree at any time to terminate the merger agreement without completing the merger, even if Maxtor stockholders have adopted the merger agreement and Seagate shareholders have approved the issuance of Seagate common shares in the merger. Also, either of Seagate or Maxtor can terminate the merger agreement if:

the merger is not completed by March 20, 2007;

a governmental entity which must grant a regulatory approval that is a condition to the merger denies such approval and such action has become final and non-appealable;

a governmental entity located in a jurisdiction in which Seagate or Maxtor have substantial revenues or operations issues a final non-appealable order prohibiting the merger;

the other party breaches the merger agreement in a manner that would entitle the party seeking to terminate the merger agreement not to consummate the merger, subject to the right of the breaching party to cure, if curable, the breach within 30 days of written notice of the breach, and the party seeking to terminate is not then in material breach of the merger agreement;

Seagate shareholders fail to approve the issuance of Seagate common shares in the merger at the Seagate shareholder meeting; or

Maxtor stockholders fail to adopt the merger agreement at the Maxtor stockholder meeting.

Additionally, Maxtor may terminate the merger agreement if prior to the adoption of the merger agreement by Maxtor stockholders and subject to compliance by Maxtor with certain obligations described under The Merger Agreement Permitted Actions in Respect of a Superior Proposal, Maxtor receives a superior proposal and desires to terminate the merger agreement in order to enter into a definitive agreement with respect to that superior proposal.

Further, Seagate may terminate the merger agreement if Maxtor has materially breached its non-solicitation obligations described under The Merger Agreement No Solicitation of Alternative Transactions, or Maxtor's board of directors has failed to recommend the merger to Maxtor stockholders or withdrawn, modified or changed in a manner adverse to Seagate its recommendation of the merger or failed to call and hold a meeting of Maxtor stockholders.

**Termination Fees (see page 85)**

Maxtor has agreed to pay to Seagate a termination fee of \$53 million and Seagate has agreed to pay to Maxtor a reverse termination fee of \$300 million in some cases and \$10 million plus expenses in other cases if the merger agreement is terminated under the circumstances specified in The Merger Agreement Termination of the Merger Agreement Termination Fees.

**Extraordinary General Meeting of Seagate Shareholders (see page 23)**

Seagate will hold an extraordinary general meeting of its shareholders at \_\_\_\_\_, on \_\_\_\_\_, 2006 at \_\_\_\_\_, Pacific Time. At the extraordinary general meeting, Seagate shareholders will be asked:

to vote to approve the issuance of Seagate common shares in the merger;

to vote to approve adjournment of the extraordinary general meeting to a later date or dates, if necessary, to solicit additional proxies if there are insufficient votes at the time of the meeting to approve the issuance of Seagate common shares in the merger;

to transact any other business as may properly be brought before the extraordinary general meeting or any adjournment or postponement of the extraordinary general meeting.

Seagate shareholders may vote at the extraordinary general meeting if they owned Seagate common shares at the close of business on the record date, \_\_\_\_\_, 2006. On that date, there were \_\_\_\_\_ Seagate common shares

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outstanding and entitled to vote at the meeting, approximately % of which were owned and entitled to be voted by Seagate directors and executive officers and their affiliates. Approval of the issuance of Seagate common shares in the merger is a condition to completion of the merger.

### **Annual Meeting of Maxtor Stockholders (see page 26)**

Maxtor will hold an annual meeting of its stockholders at , on , 2006 at , Pacific Time. At the annual meeting, Maxtor stockholders will be asked:

to vote to adopt the merger agreement;

to vote to elect three Class II directors;

to vote to ratify the engagement of PricewaterhouseCoopers LLP as Maxtor s independent registered public accounting firm;

to vote to approve adjournment of the annual meeting to a later date or dates, if necessary, to solicit additional proxies if there are insufficient votes at the time of the meeting to adopt the merger agreement; and

to transact any other business as may properly be brought before the annual meeting or any adjournment or postponement of the annual meeting.

Maxtor stockholders may vote at the annual meeting if they owned shares of Maxtor common stock at the close of business on the record date, , 2006. On that date, there were shares of Maxtor common stock outstanding and entitled to vote at the meeting, approximately % of which were owned and entitled to be voted by Maxtor directors and executive officers and their affiliates. Adoption of the merger agreement by Maxtor stockholders is a condition to completion of the merger. Adoption of the other proposals is not a condition to completion of the merger.

### **No Dissenters Rights of Appraisal (see page 73)**

Neither Seagate shareholders nor Maxtor stockholders will be entitled to exercise any dissenters rights of appraisal in connection with the transactions contemplated by the merger agreement.

### **Accounting Treatment of the Merger (see page 70)**

Seagate will account for the merger as a purchase for financial reporting purposes.



**Comparative Per Share Data and Comparative Market Prices (see page 90)**

Seagate common shares are listed on the New York Stock Exchange under the symbol **STX** . Maxtor common stock is listed on the New York Stock Exchange under the symbol **MXO** . The following table sets forth the closing sale prices of Seagate common shares and Maxtor common stock as reported on the New York Stock Exchange on December 20, 2005, the last full trading day prior to public announcement of the merger, and on \_\_\_\_\_, 2006, the last trading date prior to the printing of this joint proxy statement/prospectus for which it was practicable to obtain this information. This table also shows the equivalent per share price of Maxtor common stock, calculated by taking the product of the closing sale price of Seagate common shares on those dates and the fixed exchange ratio of 0.37.

<u>Date</u>	<u>Seagate Common Shares</u>	<u>Maxtor Common Stock</u>	<u>Equivalent Per Share Price</u>
December 20, 2005	\$19.60	\$4.52	\$7.25
_____, 2006	\$ .	\$ .	\$ .

**Table of Contents****SELECTED HISTORICAL FINANCIAL DATA OF SEAGATE**

The following financial information is being provided to aid you in your analysis of the financial aspects of the merger. Seagate derived the financial information as of and for the fiscal years ended July 1, 2005, July 2, 2004, June 27, 2003, June 28, 2002 and for the period from November 23, 2000 to June 29, 2001 from its historical audited financial statements for these periods. Through November 22, 2000, the disc drive business that Seagate now operates and the storage area networks business that Seagate operated through November 4, 2002, were the disc drive and storage area networks divisions of Seagate Technology, Inc., a Delaware corporation, and the predecessor corporation to Seagate. Accordingly, Seagate has derived the financial information for the period from July 1, 2000 to November 22, 2000 from its predecessor's historical audited financial statements for this period. Seagate derived the financial information as of and for the six months ended December 30, 2005 and December 31, 2004 from its unaudited financial statements, which financial statements include, in the opinion of Seagate's management, all adjustments, consisting of normal and recurring adjustments, necessary for a fair presentation of those results. The results for the six months ended December 30, 2005 are not necessarily indicative of the results that may be expected for the year ending June 30, 2006. This information is only a summary, and you should read it in conjunction with Seagate's consolidated financial statements and the related notes contained in Seagate's periodic reports filed with the Securities and Exchange Commission. The historical financial information as of and for the six months ended December 30, 2005 and December 31, 2004 was derived from Seagate's unaudited consolidated financial statements incorporated by reference in this proxy statement/prospectus. The historical financial information as of and for the fiscal years ended July 1, 2005, July 2, 2004 and June 27, 2003 was derived from Seagate's audited consolidated financial statements incorporated by reference in this proxy statement/prospectus. The historical financial information as of and for the fiscal year ended June 28, 2002 and as of June 29, 2001 and for the period from November 23, 2000 to June 29, 2001 was derived from Seagate's audited consolidated financial statements not incorporated by reference in this proxy statement/prospectus. The historical financial information below for the period from July 1, 2000 to November 22, 2000 was derived from the audited combined financial statements and related notes of Seagate's predecessor not incorporated by reference in this proxy statement/prospectus. See "Where You Can Find More Information" beginning on page 147.

	Seagate Technology						Predecessor	
	Six Months Ended		Fiscal Year Ended					
	December 30, 2005	December 31, 2004	July 1, 2005	July 2, 2004	June 27, 2003	June 28, 2002	Nov. 23, 2000 to June 29, 2001	July 1, 2000 to Nov. 22, 2000
(in millions, except for per share data)								
<b>Statements of Operations Data:</b>								
Revenue	\$ 4,388	\$ 3,405	\$ 7,553	\$ 6,224	\$ 6,486	\$ 6,087	\$ 3,656	\$ 2,310
Gross margin	1,126	656	1,673	1,459	1,727	1,593	732	275
Income (loss) from operations	549	204	722	444	691	374	(74)	(623)
Gain on sale of SanDisk common stock								102
Debt refinancing charges						(93)		
Net income (loss)	559	198	707	529	641	153	(110)	(412)
Basic net income per share	1.16	0.43	1.51	1.17	1.53	0.38		
Diluted net income per share	1.10	0.40	1.41	1.06	1.36	0.36		
<b>Balance Sheet Data:</b>								
Total assets	5,434	4,310	5,244	3,942	3,517	3,095	2,966	
Accrued deferred compensation						147		
Total debt	400	742	740	743	749	751	900	
Shareholders' equity	\$ 3,114	\$ 2,040	\$ 2,541	\$ 1,855	\$ 1,316	\$ 641	\$ 653	
Cash dividends declared per share	\$ 0.16	\$ 0.12	\$ 0.26	\$ 0.20	\$ 0.71	\$ 0.50		

**Table of Contents****SELECTED HISTORICAL FINANCIAL DATA OF MAXTOR**

The following financial information is being provided to aid you in your analysis of the financial aspects of the merger. Maxtor derived the financial information as of and for the fiscal years ended December 31, 2005, December 25, 2004, December 27, 2003, December 28, 2002 and December 29, 2001 from its historical audited financial statements for these fiscal years. This information is only a summary, and you should read it in conjunction with Maxtor's consolidated financial statements and the related notes contained in Maxtor's periodic reports filed with the Securities and Exchange Commission. The selected consolidated statements of operations data set forth below for the fiscal years ended December 31, 2005, December 25, 2004 and December 27, 2003 and the consolidated balance sheet data as of December 31, 2005 and December 25, 2004 are derived from audited consolidated financial statements included in Maxtor's Annual Report on Form 10-K for the year ended December 31, 2005 incorporated by reference herein. The selected consolidated statements of operations data set forth below for the fiscal years ended December 28, 2002 and December 29, 2001 and the consolidated balance sheet data as of December 28, 2002 and December 29, 2001 were derived from audited consolidated financial statements which are not included or incorporated by reference in this document. See "Where You Can Find More Information" beginning on page 147.

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	Ended	Ended	Ended	Ended	Ended
	December 31,	December 25,	December 27,	December 28,	December 29,
	2005	2004	2003	2002	2001
(in millions, except per share amounts)					
<b>Statements of Operations Data:</b>					
Net revenues	\$ 3,890.2	\$ 3,796.3	\$ 4,086.4	\$ 3,779.5	\$ 3,765.5
Gross profit	430.9	367.2	695.8	392.2	362.5
Amortization of goodwill and other intangible assets	0.9	36.0	85.3	82.2	176.0
Purchased in-process research and development					95.2
Restructuring charges	18.6	33.2		9.5	
Impairment charges		32.0			
Income (loss) from operations	(26.6)	(182.0)	128.0	(246.0)	(554.2)
Income (loss) from continuing operations	(43.3)	(183.4)	98.9	(262.4)	(568.6)
Income (loss) from discontinued operations			2.2	(73.5)	(48.2)
Net income (loss)	\$ (43.3)	\$ (183.4)	\$ 101.1	\$ (335.9)	\$ (616.8)
Net income (loss) per share - basic					
Continuing operations	\$ (0.17)	\$ (0.74)	\$ 0.41	\$ (1.10)	\$ (2.75)
Discontinued operations	\$	\$	\$ 0.01	\$ (0.31)	\$ (0.23)
<b>Total</b>	<b>\$ (0.17)</b>	<b>\$ (0.74)</b>	<b>\$ 0.42</b>	<b>\$ (1.40)*</b>	<b>\$ (2.98)</b>
Net income (loss) per share - diluted					
Continuing operations	\$ (0.17)	\$ (0.74)	\$ 0.39	\$ (1.10)	\$ (2.75)
Discontinued operations	\$	\$	\$ 0.01	\$ (0.31)	\$ (0.23)
<b>Total</b>	<b>\$ (0.17)</b>	<b>\$ (0.74)</b>	<b>\$ 0.40</b>	<b>\$ (1.40)*</b>	<b>\$ (2.98)</b>
<b>Balance Sheet Data:</b>					
Total assets	\$ 2,177.8	\$ 2,107.7	\$ 2,536.7	\$ 2,175.3	\$ 2,530.0
Long-term debt, net of current portion	\$ 575.8	\$ 382.6	\$ 355.8	\$ 206.3	\$ 244.5
Total stockholders' equity	\$ 553.0	\$ 576.6	\$ 746.7	\$ 620.1	\$ 929.8

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\* Does not add due to rounding

**Table of Contents****SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

The merger will be accounted for under the purchase method of accounting, which means the assets and liabilities of Maxtor will be recorded, as of completion of the merger, at their respective fair values and added to those of Seagate. For a more detailed description of purchase accounting see "The Merger - Accounting Treatment of the Merger" on page 70.

The following table shows information about the unaudited pro forma financial condition and results of operations after giving effect to the merger. The table sets forth selected unaudited pro forma condensed combined statement of operations data as if the merger had become effective on July 3, 2004, and selected unaudited pro forma condensed combined balance sheet data as if the merger had become effective on December 30, 2005. Seagate has a fiscal year end of the Friday closest to June 30 whereas Maxtor has a fiscal year end of the last Saturday of December. In order to prepare the selected unaudited pro forma condensed combined statement of operations for the year ended July 1, 2005 and for the six months ended December 30, 2005, Maxtor's operating results have been aligned to more closely conform to those of Seagate. This was done utilizing Maxtor's historical financial statements as of and for the years ended December 25, 2004 and December 31, 2005, and Maxtor's historical unaudited financial statements as of and for the six-month periods ended June 26, 2004 and July 2, 2005.

The information presented below should be read together with the historical consolidated financial statements of Seagate and Maxtor, including the related notes, filed by each of them with the Securities and Exchange Commission incorporated herein by reference and together with the consolidated historical financial data for Seagate and Maxtor and the other unaudited pro forma financial information, including the related notes, appearing elsewhere in this joint proxy statement/prospectus. See "Where You Can Find More Information" beginning on page 147 and "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 92. The unaudited pro forma financial data are not necessarily indicative of results that actually would have occurred had the merger been completed on the dates indicated or that may be attained in the future. See also "Risk Factors" beginning on page 15 and "Information Regarding Forward-Looking Statements" beginning on page 20.

<b>Unaudited Pro Forma Combined (in millions, except per share data and debt ratio)</b>	<b>Six Months Ended December 30, 2005</b>	<b>Year Ended July 1, 2005</b>
Operating revenues	\$ 6,286	\$ 11,452
Operating income	553	426
Net income	565	407
Net income per basic share	0.98	0.72
Net income per diluted share	0.92	0.67
Cash dividends declared per common share	0.16	0.26
Total assets	9,047	
Long-term debt	979	
Debt ratio(1)	16.3%	
Total shareholders' equity	5,039	

(1) Debt ratio reflects pro forma debt as percentage of total capital calculated as the sum of debt plus equity as reported on the balance sheet.

**Table of Contents****SELECTED UNAUDITED COMPARATIVE PER SHARE DATA**

The following table shows certain per share data for Seagate common shares and Maxtor common stock on a historical and pro forma basis reflecting the merger of Seagate and Maxtor, accounted for as a purchase as if it had been consummated as of July 3, 2004 and assuming that 0.37 Seagate common shares had been issued in exchange for each outstanding share of Maxtor common stock. This information is only a summary and you should read it in conjunction with the financial information appearing elsewhere in this document and the other documents incorporated by reference in this document. The per share pro forma data in the following table is presented for comparative purposes only and is not necessarily indicative of the combined financial position or results of operations in the future or what the combined financial position or results of operations would have been had the merger been completed during the periods or as of the dates for which this pro forma data is presented.

**Seagate Historical Financial Data:**

	<b>Six Months Ended</b>	<b>Year Ended</b>
	<b>December 30, 2005</b>	<b>July 1, 2005</b>
	<u>                    </u>	<u>                    </u>
Net income per common share Basic	\$ 1.16	\$ 1.51
Net income per common share Diluted	1.10	1.41
Cash dividends declared per common share	0.16	0.26
Book value per common share	6.45	5.33

**Maxtor Historical Financial Data:**

	<b>Year Ended</b>
	<b>December 31, 2005</b>
	<u>                    </u>
Net loss per common share Basic	\$ (0.17)
Net loss per common share Diluted	(0.17)
Cash dividends declared per common share	
Book value per common share	2.16

**Unaudited Pro Forma Condensed Combined Comparative Per Share Data:**

	<b>Six Months Ended</b>	<b>Year Ended</b>
	<b>December 30, 2005</b>	<b>July 1, 2005</b>
	<u>                    </u>	<u>                    </u>
Net income per common share Basic	\$ 0.98	\$ 0.72
Net income per common share Diluted	0.92	0.67
Cash dividends declared per common share	0.16	0.26
Book value per common share	8.73	

**Unaudited Pro Forma Equivalent Per Share Data for Maxtor:**

	<b>Six Months Ended</b>	<b>Year Ended</b>
	<b>December 30, 2005</b>	<b>July 1, 2005</b>
	<u>                    </u>	<u>                    </u>
Net income per common share Basic	\$ 0.36	\$ 0.27
Net income per common share Diluted	0.34	0.25
Cash dividends declared per common share		
Book value per common share	3.23	

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**RISK FACTORS**

*In deciding whether to vote for approval of the issuance of Seagate common shares in the merger, in the case of Seagate shareholders, or for adoption of the merger agreement, in the case of Maxtor stockholders, we urge you to carefully consider the following risk factors relating to the merger in addition to all of the information contained in or incorporated by reference into this joint proxy statement/prospectus, including the matters addressed under the caption "Information Regarding Forward-Looking Statements" on page 20. You should also read and consider the risks associated with each of the business of Seagate and Maxtor because these risks will affect the combined company. These risk factors can be found in Seagate's Annual Report on Form 10-K for the year ended July 1, 2005 and Quarterly Report on Form 10-Q for the quarter ended December 30, 2005 and Maxtor's Annual Report on Form 10-K for the year ended December 31, 2005, which are filed with the Securities and Exchange Commission and incorporated by reference into this joint proxy statement/prospectus.*

**The failure to successfully integrate Maxtor's business and operations in the expected time frame may adversely affect the combined company's future results.**

Seagate believes that the acquisition of Maxtor will result in certain benefits, including certain cost synergies, drive product innovations, and operational efficiencies. However, to realize these anticipated benefits, the businesses of Seagate and Maxtor must be successfully combined. The success of the merger will depend on the combined company's ability to realize these anticipated benefits from combining the businesses of Seagate and Maxtor. The combined company may fail to realize the anticipated benefits of the merger for a variety of reasons, including the following:

failure to successfully manage relationships with customers, distributors and suppliers;

failure of customers to accept new products or to continue as customers of the combined company;

failure to effectively coordinate sales and marketing efforts to communicate the capabilities of the combined company;

revenue attrition in excess of anticipated levels;

failure to qualify the combined company's products as a primary source of supply with OEM customers on a timely basis or at all;

failure to combine product offerings and product lines quickly and effectively;

potential incompatibility of technologies and systems;

failure to leverage the increased scale of the combined company quickly and effectively;

potential difficulties integrating and harmonizing financial reporting systems; and



the loss of key employees.

In addition, although we currently plan to transition Maxtor's volume to Seagate products starting in the first three to six months after the closing and expect this transition to be complete within nine to 12 months after the closing, we cannot assure you that we will be successful with this transition during the contemplated time frames or at all. Due to legal restrictions, Seagate and Maxtor have conducted, and until the completion of the merger will conduct, only limited planning regarding the integration of the two companies following the merger and will not determine the exact nature in which the two companies will be combined until after the merger has been completed. Completion of the merger is subject to satisfaction of a number of conditions, including the receipt of certain foreign regulatory approvals for which the timing cannot be predicted. The actual integration may result in additional and unforeseen expenses or delays. If the combined company is not able to successfully integrate Maxtor's business and operations, or if there are delays in combining the businesses, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected.

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**We expect the integration of Seagate and Maxtor will result in revenue attrition, significant accounting charges and increased capital expenditures that will have an adverse effect on the results and financial condition of the combined company, and the pro forma financial information contained in this joint proxy statement/prospectus may not be indicative of the future results of the combined company.**

The financial results of the combined company may be adversely affected by cash expenditures and non-cash charges incurred in connection with the combination. The cash expenditures have been preliminarily estimated to be approximately \$500 million and include restructuring and integration activities and retention bonuses. In addition to the anticipated cash expenditures, we expect significant non-cash charges, including those associated with the amortization of intangible assets and stock-based compensation, which we currently estimate at approximately \$360 million (approximately \$290 million of which is expected to be incurred in the first year following the closing). We anticipate that the majority of these cash expenditures and non-cash charges will occur in the 12 months following the closing of the merger. The actual amount of the stock-based compensation charge will depend on the price of the Seagate common shares and the number of Maxtor options and restricted stock units outstanding as of the closing date, but we estimate that this charge would be approximately \$22 million for the first 12 months after the closing and an aggregate of \$32 million over the following two years, in each case based on a hypothetical closing date of December 30, 2005. A substantial portion of the cash expenditures relating to restructuring activities will be recorded as liabilities assumed from Maxtor and will increase goodwill, while the non-cash charges will reduce earnings of the combined enterprise. In addition, the combined company is likely to incur revenue attrition, which would result in lower combined revenues than those shown in the pro forma financial information contained in this joint proxy statement/prospectus. We also anticipate approximately \$580 million of incremental capital expenditures as we combine operations in the first 18 to 24 months after the closing. The revenue attrition and capital expenditures, as well as the cash restructuring and integration activities and the retention bonuses described above, are not reflected in the unaudited condensed combined pro forma financial statements contained in this joint proxy statement/prospectus and the unaudited condensed combined pro forma financial statements may not be indicative of the actual results of the combined company following the merger. In addition, as a result of the revenue attrition, capital expenditures and charges described above, the operating results and financial condition of the combined company may be adversely affected after the consummation of the merger, particularly in the first year following the closing.

**The announcement and pendency of the merger could cause disruptions in the businesses of Seagate and Maxtor, which could have an adverse effect on their respective business and financial results, and consequently on the combined company.**

Seagate and Maxtor have operated and, until the completion of the merger, will continue to operate independently. Uncertainty about the effect of the merger on employees, customers, distributors and suppliers may have an adverse effect on Seagate and Maxtor and consequently on the combined company. These uncertainties may impair Seagate's and Maxtor's ability to retain and motivate key personnel and could cause customers, distributors, suppliers and others with whom each company deals to seek to change existing business relationships which may materially and adversely affect their respective businesses. Due to the materiality standards agreed to by the parties in the merger agreement, Seagate and Maxtor may be obligated to consummate the merger in spite of the adverse effects resulting from the disruption of Seagate's and Maxtor's ongoing businesses. Furthermore, this disruption could adversely affect the combined company's ability to maintain relationships with customers, distributors, suppliers and employees after the merger or to achieve the anticipated benefits of the merger. For example, in many instances, Seagate and Maxtor serve the same customers, and some of these customers may decide it is desirable to have additional or different suppliers, reducing the combined company's share of the market. Revenues that may have ordinarily been received by Seagate or Maxtor may be delayed until or after the merger is completed or not earned at all, and cost reductions that would ordinarily have been achieved might be delayed or not achieved at all, whether or not the merger is completed. Moreover, integration efforts between the two companies will also divert management attention and resources. Each of these events could adversely affect Seagate or Maxtor in the near term and the combined company, if the merger is completed.

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**The required regulatory approvals may not be obtained or may contain materially burdensome conditions.**

Completion of the merger is conditioned upon the receipt of certain governmental approvals, including approval by the European Commission under EC merger regulations. Although Seagate and Maxtor have agreed in the merger agreement to use their best efforts to obtain the requisite governmental approvals, there can be no assurance that these approvals will be obtained. In addition, the governmental entities from which these approvals are required may impose conditions on the completion of the merger or require changes to the terms of the merger. While Seagate and Maxtor do not currently expect that any such conditions or changes would be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of jeopardizing or delaying completion of the merger or reducing the anticipated benefits of the merger. If Seagate agrees to any material conditions in order to obtain any approvals required to complete the merger, the business and results of operations of the combined company may be adversely affected.

**Failure to complete the merger could negatively impact the stock prices and the future business and financial results of Seagate and Maxtor.**

If the merger is not completed, the ongoing businesses of Seagate and Maxtor may be adversely affected and Seagate and Maxtor will be subject to a number of risks, including the following:

Maxtor may be required to pay Seagate a termination fee of \$53 million if the merger agreement is terminated as a result of a change in recommendation of Maxtor's board of directors, entry by Maxtor into a definitive agreement with respect to a superior proposal, a breach by Maxtor of its non-solicitation obligations, or, under certain circumstances, the failure to hold a meeting of Maxtor stockholders or the failure of Maxtor stockholders to adopt the merger agreement;

Seagate may be required to pay Maxtor a reverse termination fee of (i) \$300 million if the merger agreement is terminated as a result of the failure to obtain certain antitrust or other regulatory approvals or, under certain circumstances, the failure to complete the merger by March 20, 2007 and (ii) \$10 million plus an amount equal to the sum of Maxtor's expenses if the merger agreement is terminated as a result of the failure of Seagate shareholders to approve the issuance of Seagate common shares in the merger;

Seagate and Maxtor will be required to pay certain costs relating to the merger, such as legal, accounting, financial advisor and printing fees whether or not the merger is completed; and

matters relating to the merger (including integration planning) may require substantial commitments of time and resources by management of each of the companies, which could otherwise have been devoted to other opportunities that may have been beneficial to their respective companies,

in each case, without realizing any of the benefits of having completed the merger. If the merger is not completed, these risks may materialize and may adversely affect each company's business, financial results and stock price.

In addition, Maxtor will be subject to the following specific risks if the merger is not completed:

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The market price of Maxtor's common stock may decline to the extent that the current market price includes a market assumption that the merger will be completed;

The deterioration of Maxtor's business in the interim period may be significant and Maxtor may find it difficult to continue as a stand-alone entity; and

Maxtor may experience a negative reaction to the termination of the merger from its customers, suppliers, distributors or partners which may adversely impact Maxtor's future operating results.

**Because the market price of Seagate common shares will fluctuate, the value of the Seagate common shares that will be issued in the merger will not be known until the closing of the merger.**

The value of the Seagate common shares to be issued in the merger could be considerably higher or lower than they were at the time the merger consideration was negotiated. Neither Seagate nor Maxtor is permitted to

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terminate the merger agreement or resolicit the vote of Maxtor stockholders solely because of changes in the market prices of either company's stock. Stock price changes may result from a variety of factors, including changes in the respective businesses operations and prospects of Seagate and Maxtor, changes in general market and economic conditions, and regulatory considerations. Many of these factors are beyond the control of Seagate or Maxtor.

Upon the completion of the merger, each share of Maxtor common stock outstanding immediately prior to the merger will be converted into the right to receive 0.37 Seagate common shares. Because the exchange ratio for Seagate common shares to be issued in the merger has been fixed, the value of the merger consideration will depend upon the market price of Seagate common shares. This market price may vary from the closing price of Seagate common shares on the date the merger was announced, on the date that the joint proxy statement/prospectus is mailed to Maxtor stockholders and Seagate shareholders and on the date of the Seagate extraordinary general meeting or the Maxtor annual meeting. Accordingly, at the time of the stockholder meetings, stockholders will not know or be able to calculate the value of the merger consideration that would be issued upon completion of the merger. Further, the time period between the stockholder votes taken at the meetings and the completion of the merger will depend on the status of antitrust clearances that must be obtained prior to the completion of the merger and the satisfaction or waiver of other conditions to closing, and there is currently no way to predict how long it will take to obtain these approvals or the changes in Seagate's and Maxtor's respective businesses, operations and prospects or in the disc drive industry generally that may occur during this interval.

**Former Maxtor stockholders who become shareholders of Seagate will have their shareholder rights governed by the third amended and restated memorandum of association of Seagate and by the Companies Law (2004 Revision) and the common law of the Cayman Islands.**

Maxtor stockholders who receive Seagate common shares in the merger will become Seagate shareholders and their rights as shareholders will be governed by the third amended and restated memorandum of association of Seagate and by the Companies Law (2004 Revision) and the common law of the Cayman Islands. As a result, there will be material differences between the current rights of Maxtor's stockholders and the rights they can expect to have as Seagate shareholders. For example, among other differences, Maxtor provides for a staggered board of directors but Seagate does not, and thus the acquisition or change of control of Seagate by a third party that the board, in its judgment, might not have favored may be easier to effect. In addition, the rights of Seagate's shareholders and the fiduciary responsibilities of Seagate's directors under Cayman Islands law are not as clearly established as under statutes or judicial precedent in Delaware, which is where Maxtor is incorporated. Therefore, Seagate shareholders may have more difficulty in protecting their interests in the face of actions by Seagate's management or directors than would Maxtor stockholders, due to the comparatively less developed nature of Cayman Islands law in this area. See "Comparison of Shareholder Rights" beginning on page 105.

**The market price of Seagate common shares after the merger may be affected by factors different from those affecting the shares of Seagate or Maxtor currently.**

The businesses of Seagate and Maxtor differ and, accordingly, the results of operations of the combined company and the market price of the combined company's shares of common stock may be affected by factors different from those currently affecting the independent results of operations and market prices of Seagate common shares and Maxtor common stock.

**Executive officers and directors of Maxtor have interests that may have influenced them to support or approve the merger.**

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Maxtor's executive officers and directors may have interests in the merger that are different from, or in addition to, the interests of Maxtor stockholders generally. For example, as a result of the merger or other triggering events, the vesting of options and other equity awards held by the executive officers and directors may be accelerated, and Maxtor or the combined company may make cash severance payments to certain executive

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officers that could total a maximum of approximately \$13 million, assuming completion of the merger and their involuntary termination of employment on July 1, 2006 and satisfaction of other conditions of payment, including the execution of restrictive covenant agreements. Maxtor's board of directors was aware of and took into account these arrangements when it approved the merger. See "The Merger" Interests of Maxtor's Directors and Executive Officers in the Merger beginning on page 62.

**If Maxtor's former stockholders sell the Seagate common shares received in the merger immediately, they could cause a decline in the market price of Seagate common shares.**

Seagate's issuance of common shares in the merger will be registered under the federal securities laws. As a result, those shares will be immediately available for resale in the public market, except for shares issued to Maxtor's former stockholders who are affiliates of Maxtor before the merger or who become affiliates of Seagate after the merger will be subject to additional transfer restrictions. See "The Merger" Restrictions on Sales of Shares by Affiliates of Maxtor on page 74. The number of shares of Seagate common shares to be issued to Maxtor's former stockholders in connection with the merger, and immediately available for resale, will equal approximately 16% of the number of outstanding Seagate common shares. Maxtor's former stockholders may sell the stock they receive immediately after the merger. If this occurs, or if other holders of Seagate common shares sell significant amounts of Seagate common shares immediately after the merger is completed, the market price of Seagate common shares may decline.

**Maxtor and Maxtor's directors are parties to a pending lawsuit seeking injunctive relief in connection with the merger.**

On January 20, 2006, Theodore F. Vahl commenced a purported shareholder class action lawsuit in the Superior Court of the State of California, County of Santa Clara against Maxtor, Maxtor's Chairman and Chief Executive Officer, and certain members of Maxtor's Board of Directors alleging that the defendants violated their fiduciary duties and seeking injunctive relief in connection with the proposed merger. The lawsuit is in its preliminary stages and it is impossible to predict the outcome or the length of time it will take to resolve the action. No assurances can be given that the lawsuit will not result in the issuance of an injunction. A preliminary injunction could delay or jeopardize the completion of the merger; an adverse judgment granting injunctive relief could permanently enjoin the completion of the merger.

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**INFORMATION REGARDING FORWARD-LOOKING STATEMENTS**

This document, including information included or incorporated by reference in this document, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about the benefits of the merger between Seagate and Maxtor, including future financial and operating results and performance; statements about Seagate's and Maxtor's plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as expects, anticipates, intends, plans, believes, seeks, estimates, will, should, may or words of similar meaning. These forward-looking statements are based upon the current beliefs and expectations of Seagate's and Maxtor's management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond the control of Seagate and Maxtor. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from the anticipated results discussed in these forward-looking statements.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements:

those discussed and identified in public filings with the Securities and Exchange Commission made by Seagate and Maxtor, including Seagate's Annual Report on Form 10-K for the year ended July 1, 2005 and Quarterly Report on Form 10-Q for the quarter ended December 30, 2005 and Maxtor's Annual Report on Form 10-K for the year ended December 31, 2005;

the businesses of Seagate and Maxtor may not be combined successfully, or such combination may take longer, be more difficult, time-consuming or costly to accomplish than expected;

the expected growth opportunities and cost savings from the merger may not be fully realized or may take longer to realize than expected;

operating costs, customer losses and business disruption following the merger, including adverse effects on relationships with employees, may be greater than expected;

governmental approvals of the merger may not be obtained, or adverse regulatory conditions may be imposed in connection with governmental approvals of the merger;

the variable demand and the aggressive pricing environment for disc drives;

dependence on each company's ability to successfully manufacture in increasing volumes on a cost-effective basis and with acceptable quality its current disc drive products; and

the adverse impact of competitive product announcements and possible excess industry supply with respect to particular disc drive products.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document or the date of any document incorporated by reference in this document. All subsequent written and oral forward-looking statements concerning the merger



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or other matters addressed in this document and attributable to Seagate or Maxtor or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable law or regulation, Seagate and Maxtor undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

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**INFORMATION ABOUT THE COMPANIES**

**Seagate Technology**

Seagate is a leader in the design, manufacturing and marketing of rigid disc drives. Rigid disc drives, which are commonly referred to as disc drives or hard drives, are used as the primary medium for storing electronic information in systems ranging from desktop and notebook computers, and consumer electronics devices to data centers delivering information over corporate networks and the internet. Seagate produces a broad range of disc drive products that make it a leader in the industry with products addressing enterprise applications, where its products are used in enterprise servers, mainframes and workstations; desktop applications, where its products are used in desktop computers; mobile computing applications, where its products are used in notebook computers; and consumer electronics applications, where its products are used in digital video recorders, digital music players, gaming devices, global positioning navigation systems and photo printers.

Seagate sells its disc drives primarily to major original equipment manufacturers, or OEMs, and also markets to distributors and retailers under its globally recognized brand name.

Seagate's products address substantially all of the available consumer electronics, mobile computing, enterprise and desktop storage markets. Seagate pursues a highly integrated approach to its business by designing and manufacturing a significant portion of the components it views as critical to its products, such as read/write heads and recording media. Seagate believes that its control of these key technologies, combined with its platform design and manufacturing, enables it to achieve product performance, time-to-market leadership and manufacturing flexibility, which allows Seagate to respond to customers and market opportunities. Seagate's technology ownership combined with its integrated design and manufacturing has allowed it to effectively leverage its leadership in traditional computing markets into new, higher-growth markets with only incremental product development and manufacturing costs.

The address of Seagate's principal executive offices is P.O. Box 309GT, Uglund House, South Church Street, George Town, Grand Cayman, Cayman Islands, and its telephone number at that address is (345) 949-8066. The address of Seagate's U.S. executive offices is 920 Disc Drive, Scotts Valley, California 95066 and its telephone number at that address is (831) 438-6550. For additional information on Seagate, see "Where You Can Find More Information" beginning on page 147.

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**Maxtor Corporation**

Maxtor Corporation is one of the world's leading suppliers of hard disc drives for desktop, enterprise and consumer electronics applications. Maxtor's desktop products are marketed under the DiamondMax, and MaXLine brand names and consist of 3.5-inch disc drives with storage capacities that range from 40 to 500 gigabytes, or GB, which is equivalent to one million bytes. These drives are used primarily in desktop computers. In addition, there is an emerging market for these products in a variety of consumer electronic applications, including digital video recorders, set-top boxes and game consoles, as well as personal storage applications, which we market under the Quickview brand name. Maxtor also provides a line of high-capacity ATA/Serial ATA drives for use in mid-line and near-line storage applications for the enterprise market. Maxtor's MaXLine-branded drives, with 250 or 500 GB of capacity, are designed specifically for high-reliability to meet the needs of enterprise customers who need ready access to fixed content data files. Maxtor offers a line of high-end 3.5-inch hard disc drives for use in high-performance, storage-intensive enterprise applications such as workstations, enterprise servers and storage subsystems. These Intel-based server products are marketed under the Atlas brand name and provide storage capacities of 18.4 to 300 GB at speeds of 10,000 rotations per minute, or RPM, and 15,000 RPM.

Maxtor's hard disc drive manufacturing operations consist primarily of the final assembly of high-level subassemblies, built to Maxtor's specifications, and the testing of completed products. Maxtor manufactures its disc drives in two locations—Singapore and Suzhou, China. Maxtor's manufacturing facilities utilize a cell-based process, enabling Maxtor to dedicate manufacturing cells to a particular product model. Maxtor combines its cell-based approach with a sophisticated factory information system that collects data on various product and quality metrics. The cell-based approach provides Maxtor with the flexibility to readily scale its production in response to customer needs.

The address of Maxtor's principal executive offices is 500 McCarthy Boulevard, Milpitas, California 95035 and its telephone number at that address is (408) 894-5000. For additional information on Maxtor, see "Where You Can Find More Information" beginning on page 147.

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**THE EXTRAORDINARY GENERAL MEETING OF SEAGATE SHAREHOLDERS**

**General**

This document is being furnished to holders of Seagate common shares for use at an extraordinary general meeting of Seagate shareholders and any adjournments or postponements of the meeting.

**When and Where the Seagate Extraordinary General Meeting Will Be Held**

The Seagate extraordinary general meeting will be held on \_\_\_\_\_, 2006 at \_\_\_\_\_, at \_\_\_\_\_, Pacific Time, subject to any adjournments or postponements.

**Purpose of the Extraordinary General Meeting**

The purpose of the Seagate extraordinary general meeting is to consider and vote upon the following proposals:

To approve the issuance of Seagate common shares pursuant to the merger agreement, as the same may be amended from time to time; and

To approve adjournment of the extraordinary general meeting to a later date or dates, if necessary, to solicit additional proxies if there are insufficient votes at the time of the extraordinary general meeting to approve the issuance of Seagate common shares in the merger.

Seagate shareholders will also be asked to transact any other business as may properly come before the Seagate extraordinary general meeting or any adjournment or postponement of the Seagate extraordinary general meeting.

Seagate shareholders must vote to approve the issuance of Seagate common shares in the merger in order for the merger to occur. If Seagate shareholders fail to vote to approve the issuance of Seagate common shares in the merger, the merger will not occur.

**Record Date; Shareholders Entitled to Vote**

Seagate's only outstanding class of voting securities is its common shares, par value \$0.00001 per share. All persons who are holders of record of Seagate common shares at the close of business on \_\_\_\_\_, 2006, the record date for the Seagate extraordinary general meeting, will be entitled

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to notice of, and to vote at, the Seagate extraordinary general meeting. As of the close of business on the record date, there were outstanding common shares held by \_\_\_\_\_ shareholders of record.

### **Quorum and Voting Requirements**

The holders of a majority of the outstanding shares of Seagate common shares on the record date represented in person or by proxy will constitute a quorum for purposes of the extraordinary general meeting. A quorum is necessary to hold the Seagate extraordinary general meeting. Once a share is represented at the Seagate extraordinary general meeting, it will be counted for the purpose of determining a quorum at the Seagate extraordinary general meeting and any postponement or adjournment of the extraordinary general meeting. However, if a new record date is set for the adjourned extraordinary general meeting, then a new quorum will have to be established.

The affirmative vote of a majority of all the votes cast by holders of common shares represented in person or by proxy at the Seagate extraordinary general meeting is necessary to approve the issuance of Seagate common shares in the merger and to approve adjournments of the Seagate extraordinary general meeting.

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At the Seagate extraordinary general meeting, each Seagate common share is entitled to one vote on all matters properly submitted to the Seagate shareholders.

As of the record date, directors and executive officers of Seagate and their affiliates beneficially owned and were entitled to vote \_\_\_\_\_ Seagate common shares, or approximately \_\_\_\_\_ % of the outstanding Seagate common shares entitled to vote at the Seagate extraordinary general meeting. Maxtor has entered into voting agreements with certain Seagate shareholders, including the executive officers and directors of Seagate, pursuant to which these shareholders agreed, among other things and subject to limited exceptions, to vote their Seagate common shares in favor of the issuance of Seagate common shares in the merger. As of the record date, these shareholders owned \_\_\_\_\_ Seagate common shares representing approximately \_\_\_\_\_ % of the outstanding Seagate common shares.

### **Proxies; Revocation**

If you are a shareholder of record, you should complete and return the proxy card accompanying this document, or vote by telephone or the internet as described under Voting Electronically or by Telephone in order to ensure that your vote is counted at the Seagate extraordinary general meeting, or at any adjournment or postponement of the Seagate extraordinary general meeting, regardless of whether you plan to attend the Seagate extraordinary general meeting. Submitting a proxy now will not prevent you from being able to vote at the extraordinary general meeting by attending in person and casting a vote. All Seagate common shares represented by properly executed proxies received before or at the Seagate extraordinary general meeting, and not revoked, will be voted in accordance with the instructions indicated in the proxies. Proxies that are properly signed and dated but that do not contain voting instructions will be voted FOR the issuance of Seagate common shares in the merger and FOR any adjournments of the Seagate extraordinary general meeting. In addition, if other matters properly come before the Seagate extraordinary general meeting, or at any adjournment or postponement of the Seagate extraordinary general meeting, Seagate intends that shares represented by properly submitted proxies will be voted, or not voted, by and at the discretion of the persons named as proxies on the proxy card unless you withhold authority to do so on the proxy card. Seagate's board of directors is currently unaware of any other matters that may be presented for action at the Seagate extraordinary general meeting.

If your shares are held in street name by your broker or bank, you should instruct your broker or bank how to vote your shares using the instructions provided by your broker or bank. If you have not received such voting instructions or require further information regarding such voting instructions, contact your broker or bank and they can give you instructions on how to vote your shares. If an executed proxy card returned by a broker or bank indicates that the broker or bank does not have discretionary authority to vote on a particular matter, the shares will be considered present at the meeting for purposes of determining the presence of a quorum, but will not be voted. This is called a broker non-vote. Your broker or bank will vote your shares over which it does not have discretionary authority only if you provide instructions on how to vote by following the instructions provided to you by your broker or bank. Seagate common shares held by persons attending the Seagate extraordinary general meeting but not voting, or shares for which Seagate has received proxies with respect to which holders have abstained from voting, will be considered abstentions. Abstentions and properly executed broker non-votes, if any, will be treated as shares that are present and entitled to vote at the Seagate extraordinary general meeting for purposes of determining whether a quorum exists but will have no effect on the outcome of the proposals.

### **Attendance at the Seagate Extraordinary General Meeting**

If your shares are held in street name, then your name will not appear in Seagate's register of members and the nominee will be entitled to vote your shares. In order to be admitted to the Seagate extraordinary general meeting, you must bring a letter or account statement showing that you beneficially own the shares held by the nominee. Even if you attend the extraordinary general meeting, you will not be able to vote the shares that you hold in street name unless you have received a written proxy in your name from the broker, bank or other nominee who holds your shares.



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You may revoke your proxy at any time before the vote is taken at the Seagate extraordinary general meeting. If you have not voted through your bank or broker, you may revoke your proxy by:

submitting written notice of revocation to the Corporate Secretary of Seagate, 900 Disc Drive, Scotts Valley, California 95066, prior to the voting of that proxy;

submitting a properly executed proxy of a later date; or

voting in person at the Seagate extraordinary general meeting; however, simply attending the Seagate extraordinary general meeting without voting will not revoke an earlier proxy.

*If your shares are held in street name, you should follow the instructions of your bank or broker regarding the revocation of proxies.*

## **Voting Electronically or by Telephone**

Shareholders of record and many shareholders who hold their shares through a broker or bank will have the option to submit their proxies or voting instructions electronically through the internet or by telephone. Please note that there are separate arrangements for using the internet and telephone depending on whether your shares are registered in Seagate's register of shares in your name or in the name of a broker, bank or other nominee who holds your shares. If you hold your shares through a broker, bank or other nominee, you should check your proxy card or voting instruction card forwarded by your broker, bank or other nominee who holds your shares to see which options are available.

In addition to submitting the enclosed proxy by mail, Seagate shareholders of record may submit their proxies by telephone or internet by following the instructions on their proxy card or voting form. If you have any questions regarding whether you are eligible to submit your proxy by telephone or by internet, please contact Morrow & Co., Inc. by telephone at (800) 607-0088 (toll free) or by email at [seagate.info@morrowco.com](mailto:seagate.info@morrowco.com).

## **Solicitation of Proxies**

Seagate will pay the cost of the Seagate extraordinary general meeting and the cost of soliciting proxies for the Seagate extraordinary general meeting. In addition to soliciting proxies by mail, Seagate may solicit proxies by person, telephone and other solicitations by directors, officers or employees of Seagate and Maxtor. No director, officer or employee of Seagate or Maxtor will be specifically compensated for these activities. Seagate also intends to request that brokers, banks and other nominees solicit proxies from their principals, and Seagate will pay the brokers, banks and other nominees certain expenses they incur for those activities. Seagate has retained Morrow & Co., Inc., a proxy soliciting firm, to assist Seagate in the solicitation of proxies. Morrow's solicitation fee is approximately \$7,500, plus out-of-pocket expenses.

## **Voting Procedures and Tabulation**



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Seagate has appointed Computershare Trust Company as the inspector of elections to act at the extraordinary general meeting and to make a written report thereof. Prior to the extraordinary general meeting, the inspector will sign an oath to perform his duties in an impartial manner and according to the best of his or her ability. The inspector will ascertain the number of common shares outstanding and the voting power of each, determine the common shares represented at the Seagate extraordinary general meeting and the validity of proxies and ballots, count all votes and ballots, and perform certain other duties. The determination of the inspector as to the validity of proxies will be final and binding.

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**THE ANNUAL MEETING OF MAXTOR STOCKHOLDERS**

**General**

This document is being furnished to holders of Maxtor common stock for use at an annual meeting of Maxtor stockholders and any adjournments or postponements of the meeting.

**When and Where the Maxtor Annual Meeting Will Be Held**

The Maxtor annual meeting will be held on \_\_\_\_\_, 2006 at \_\_\_\_\_, at \_\_\_\_\_, Pacific Time, subject to any adjournments or postponements.

**Purpose of the Annual Meeting**

The purpose of the Maxtor annual meeting is to consider and vote upon the following proposals:

To adopt the merger agreement, as the same may be amended from time to time;

To elect three Class II directors to hold office until the 2009 Annual Meeting of Stockholders and until their respective successors have been elected and qualified;

To ratify the engagement of PricewaterhouseCoopers LLP as Maxtor's independent registered public accounting firm for the fiscal year ending December 30, 2006; and

To vote upon adjournment of the annual meeting to a later date or dates, if necessary, to solicit additional proxies if there are insufficient votes at the time of the annual meeting to approve the proposal to adopt the merger agreement.

Maxtor stockholders will also be asked to transact any other business as may properly come before the Maxtor annual meeting or any adjournment or postponement of the Maxtor annual meeting.

Maxtor stockholders must vote to adopt the merger agreement in order for the merger to occur. If Maxtor stockholders fail to vote to adopt the merger agreement, the merger will not occur. Approval of the other proposals is not a condition to the merger.

**Record Date; Stockholders Entitled to Vote**

Maxtor's only outstanding class of voting securities is its common stock, par value \$0.01 per share. All persons who are holders of record of Maxtor common stock at the close of business on \_\_\_\_\_, 2006, the record date for the Maxtor annual meeting, will be entitled to notice of, and to vote at, the Maxtor annual meeting. As of the close of business on the record date, there were outstanding \_\_\_\_\_ common shares held by stockholders of record.

**Quorum and Voting Requirements**

The holders of a majority of the outstanding shares of Maxtor common stock on the record date represented in person or by proxy will constitute a quorum for purposes of the annual meeting. A quorum is necessary to hold the Maxtor annual meeting. Any shares of Maxtor common stock held in treasury by Maxtor or by any of its subsidiaries are not considered to be outstanding for purposes of determining a quorum. Once a share is represented at the Maxtor annual meeting, it will be counted for the purpose of determining a quorum at the Maxtor annual meeting and any postponement or adjournment of the annual meeting. However, if a new record date is set for the adjourned annual meeting, then a new quorum will have to be established.

The proposals require different percentages of votes in order to approve them:

The affirmative vote of the holders of a majority of the shares of Maxtor common stock outstanding on the record date is required to adopt the merger agreement;

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The affirmative vote of a plurality of the votes cast at the annual meeting is required to approve the election of each director nominee;

The affirmative vote of the holders of a majority of the shares of Maxtor common stock represented at the Maxtor annual meeting and entitled to vote is required to ratify the engagement of PricewaterhouseCoopers LLP; and

The affirmative vote of the holders of a majority of the shares of Maxtor common stock represented at the Maxtor annual meeting and entitled to vote is required to adjourn the Maxtor annual meeting.

At the Maxtor annual meeting, each share of Maxtor common stock is entitled to one vote on all matters properly submitted to the Maxtor stockholders.

As of the record date, directors and executive officers of Maxtor and their affiliates beneficially owned and were entitled to vote \_\_\_\_\_ shares of Maxtor common stock, or approximately \_\_\_\_\_ % of the outstanding shares of Maxtor common stock entitled to vote at the Maxtor annual meeting. Maxtor currently expect that their respective directors and executive officers and their affiliates will vote their shares of Maxtor common stock FOR each of the proposals, although none of them has entered into an agreement requiring them to do so.

When considering the Maxtor board of directors' recommendation that you vote in favor of the adoption of the merger agreement, you should be aware that some executive officers and directors of Maxtor may have financial interests in the merger that may be different from, or in addition to, the interests of stockholders of Maxtor. See "The Merger - Interests of Maxtor's Directors and Executive Officers in the Merger" beginning on page 62.

## **Proxies; Revocation**

If you are a stockholder of record, you should complete and return the proxy card accompanying this document, or vote by telephone or the internet as described under "Voting Electronically or by Telephone" in order to ensure that your vote is counted at the Maxtor annual meeting, or at any adjournment or postponement of the Maxtor annual meeting, regardless of whether you plan to attend the Maxtor annual meeting. Submitting a proxy now will not prevent you from being able to vote at the annual meeting by attending in person and casting a vote. All shares of Maxtor common stock represented by properly executed proxies received before or at the Maxtor annual meeting, and not revoked, will be voted in accordance with the instructions indicated in the proxies. Proxies that are properly signed and dated but that do not contain voting instructions will be voted FOR adoption of the merger agreement, FOR the election of each director nominee, FOR the ratification of the engagement of PricewaterhouseCoopers LLP and FOR any adjournment of the Maxtor annual meeting. In addition, if other matters properly come before the Maxtor annual meeting, or at any adjournment or postponement of the Maxtor annual meeting, Maxtor intends that shares represented by properly submitted proxies will be voted, or not voted, by and at the discretion of the persons named as proxies on the proxy card unless you withhold authority to do so on the proxy card. Maxtor's board of directors is currently unaware of any other matters that may be presented for action at the Maxtor annual meeting.

If your shares are held in "street name" by your broker or bank, you should instruct your broker or bank how to vote your shares using the instructions provided by your broker or bank. If you have not received such voting instructions or require further information regarding such voting instructions, contact your broker or bank and they can give you instructions on how to vote your shares. If an executed proxy card returned by a broker or bank indicates that the broker or bank does not have discretionary authority to vote on a particular matter, the shares will be considered present at the meeting for purposes of determining the presence of a quorum, but will not be voted. This is called a broker non-vote. Your broker or bank will vote your shares over which it does not have discretionary authority only if you provide instructions on how to vote by following the instructions provided to you by your broker or bank.

Shares of Maxtor common stock held by persons attending the Maxtor annual meeting but not voting, or shares for which Maxtor has received proxies with respect to which holders have abstained from voting, will be

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considered abstentions. Abstentions and properly executed broker non-votes, if any, will be treated as shares that are present and entitled to vote at the Maxtor annual meeting for purposes of determining whether a quorum exists but will have the same effect as a vote against adoption of the merger agreement.

Because directors are elected by a plurality of votes cast, which means that the nominees with the largest number of votes are elected as directors up to the maximum number of directors to be chosen at the meeting, abstentions and broker non-votes will have no effect on the outcome of the proposal to elect directors. Because the proposal to ratify the engagement of PricewaterhouseCoopers LLP and the proposal to adjourn the Maxtor annual meeting to a later date or dates, if necessary, to solicit additional proxies require the affirmative vote of the holders of a majority of the shares of Maxtor common stock represented at the Maxtor annual meeting and entitled to vote, abstentions will have the same effect as a vote against the relevant proposal and broker non-votes will have no effect on the outcome of the relevant proposal.

**If you are a Maxtor stockholder, the Maxtor board of directors urges you to complete, date and sign the accompanying proxy card and return it promptly in the enclosed postage-paid envelope, or to submit your proxy by telephone or the internet or to vote by following the instructions of your bank or broker with respect to shares you hold in street name.**

## **Attendance at the Maxtor Annual Meeting**

If your shares are held in street name, then your name will not appear in Maxtor's register of stockholders and the nominee will be entitled to vote your shares. In order to be admitted to the Maxtor annual meeting, you must bring a letter or account statement showing that you beneficially own the shares held by the nominee. Even if you attend the annual meeting, you will not be able to vote the shares that you hold in street name unless you have received a written proxy in your name from the broker, bank or other nominee who holds your shares.

You may revoke your proxy at any time before the vote is taken at the Maxtor annual meeting. If you have not voted through your bank or broker, you may revoke your proxy by:

submitting written notice of revocation to the Secretary of Maxtor, 500 McCarthy Boulevard, Milpitas, California 95035, prior to the voting of that proxy;

submitting a properly executed proxy of a later date; or

voting in person at the Maxtor annual meeting; however, simply attending the Maxtor annual meeting without voting will not revoke an earlier proxy.

If your shares are held in street name, you should follow the instructions of your bank or broker regarding the revocation of proxies.

## **Voting Electronically or by Telephone**

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Stockholders of record and many stockholders who hold their shares through a broker or bank will have the option to submit their proxies or voting instructions electronically through the internet or by telephone. Please note that there are separate arrangements for using the internet and telephone depending on whether your shares are registered in Maxtor's stock records in your name or in the name of a broker, bank or other nominee who holds your shares. If you hold your shares through a broker, bank or other nominee, you should check your proxy card or voting instruction card forwarded by your broker, bank or other nominee who holds your shares to see which options are available.

In addition to submitting the enclosed proxy by mail, Maxtor stockholders of record may submit their proxies by telephone or internet by following the instructions on their proxy card or voting form. If you have any questions regarding whether you are eligible to submit your proxy by telephone or by internet, please contact MacKenzie Partners, Inc. by telephone at (800) 322-2885 (toll free) or by email at [proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com).

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**Solicitation of Proxies**

Maxtor will pay the cost of the Maxtor annual meeting and the cost of soliciting proxies for the Maxtor annual meeting. In addition to soliciting proxies by mail, Maxtor may solicit proxies by person, telephone and other solicitations by directors, officers or employees of Maxtor and Seagate. No director, officer or employee of Maxtor or Seagate will be specifically compensated for these activities. Maxtor also intends to request that brokers, banks and other nominees solicit proxies from their principals, and Maxtor will pay the brokers, banks and other nominees certain expenses they incur for those activities. Maxtor has retained MacKenzie Partners, Inc., a proxy soliciting firm, to assist Maxtor in the solicitation of proxies. MacKenzie's solicitation fee is approximately \$7,500, plus out-of-pocket expenses.

**Voting Procedures and Tabulation**

Maxtor has appointed a representative of The Bank of New York Company, Inc. as the inspector of elections to act at the annual meeting and to make a written report thereof. Prior to the annual meeting, the inspector will sign an oath to perform his duties in an impartial manner and according to the best of his or her ability. The inspector will ascertain the number of common shares outstanding and the voting power of each, determine the shares of common stock represented at the Maxtor annual meeting and the validity of proxies and ballots, count all votes and ballots, and perform certain other duties. The determination of the inspector as to the validity of proxies will be final and binding.

**MAXTOR STOCKHOLDERS SHOULD NOT SEND IN THEIR STOCK CERTIFICATES WITH THE PROXY CARDS. YOU WILL RECEIVE SEPARATE WRITTEN INSTRUCTIONS ON HOW TO EXCHANGE YOUR MAXTOR STOCK CERTIFICATES FOR THE MERGER CONSIDERATION IF THE MERGER IS COMPLETED.**



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**SEAGATE PROPOSAL 1 AND MAXTOR PROPOSAL 1 THE MERGER**

**Background of the Merger**

Seagate and Maxtor are long-time participants in the hard disc drive industry and are very familiar with each other's businesses. Each of them routinely evaluates business alternatives and strategic opportunities as part of their ongoing evaluation of changes in the marketplace and opportunities to strengthen their respective businesses.

In the spring of 2004, Seagate's management began informally discussing the company's strategic business options with Morgan Stanley and another investment bank. In June 2004, the Strategic and Financial Transactions Committee of the Seagate board of directors held a telephonic meeting, which was attended by Seagate's senior management. During this meeting, the committee discussed such potential options with Seagate senior management. After discussion, the committee authorized Seagate's senior management to explore a potential business combination with Maxtor.

Later in the month, Mr. Luczo contacted Dr. C.S. Park, Maxtor's Chairman of the Board, to convey Seagate's interest in a potential business combination with Maxtor, and met with Dr. Park to discuss the matter. The Maxtor board of directors held a special meeting on July 9, 2004, which was attended by representatives of Gray Cary Ware & Freidenrich LLP, Maxtor's outside legal counsel. During this meeting, the Maxtor board received a briefing from Dr. Park on the contact from Seagate and received legal advice from Gray Cary. The Maxtor board authorized further discussions and requested additional information from management and outside counsel for the next board meeting. Dr. Park met again with Mr. Luczo later that month and separately met with William D. Watkins, who had been named Seagate's Chief Executive Officer in addition to his position as President on July 3, 2004, to discuss the potential business combination. The Maxtor board of directors held a special meeting on July 31, 2004, which was attended by representatives of Gray Cary. During this meeting, Dr. Park and Maxtor's then Chief Executive Officer briefed the board on the developments since the last meeting. Gray Cary provided advice regarding certain legal matters. The Maxtor board authorized further discussions and requested further information from management and outside counsel for the next board meeting.

In early August 2004, Morgan Stanley on Seagate's behalf contacted Citigroup, which had been engaged by Maxtor on August 1, 2004 to advise Maxtor concerning strategic alternatives, to discuss Mr. Luczo's proposal. During August 2004, Morgan Stanley and Citigroup had telephone conversations regarding a possible business combination on behalf of their clients, during which Morgan Stanley conveyed to Citigroup Seagate's preliminary views on valuation. During this same period of time, Maxtor also had discussions with one of its component suppliers regarding the possibility of a strategic business combination. On August 5, 2004, the Seagate board of directors held a meeting, which was also attended by representatives of Morgan Stanley, to review the possibility of a strategic business combination with Maxtor. On August 18, 2004, the Maxtor board of directors held a special meeting, which was attended by certain members of the company's senior management and representatives of Gray Cary and Citigroup. During the meeting, management and Citigroup reviewed and provided input on these discussions with Seagate and the component supplier, Gray Cary provided legal advice to the board and the board authorized further discussions with Seagate. In September 2004, Citigroup conveyed to Morgan Stanley Maxtor's view that the initial valuation proposed by Seagate did not compare favorably in Maxtor's view with Maxtor's value as a stand-alone company, and that a significant increase in valuation was warranted. In September 2004, Seagate discontinued its discussions with Maxtor. Also in September 2004, the component supplier discontinued its discussions with Maxtor regarding a possible business combination transaction, having concluded that Maxtor was not a good strategic fit.

In November 2004, Dr. Park was appointed to serve as Chief Executive Officer of Maxtor in addition to his role as Chairman, and a new management team was appointed at Maxtor to develop and pursue a strategy to address Maxtor's financial performance and business execution issues and return Maxtor to profitability. Maxtor management began to execute on its new business plan in 2005. By mid-2005, the new management team had made progress on the business plan, including improving profitability in its enterprise division, expanding its



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successful branded products offering and advancing the development of a new desktop product offering planned for release in early 2006, had made progress rationalizing its product roadmap, had planned to partially address component costs by moving its media operations offshore and had accelerated the move of two-thirds of the desktop manufacturing from Maxtor's Singapore factory to Suzhou, China. Maxtor's board of directors believed that its business plan, if achieved, would provide significant value to Maxtor's stockholders, although the market price of Maxtor reflected the risks of a turnaround plan due to execution issues and the relatively short tenure of the new management. Maxtor also faced numerous risks to successful execution, including increasing competition, continuing adverse impact to gross margin from the cost of heads and other key components, execution difficulties in product development and production adversely affecting quality and time to market for new products, difficulties in achieving a reasonable return on investment in research and development, engineering resource constraints, the lack of a 1" product, a 2.5" product and a fibre channel product and the need for improved processes to manage an increasingly complex business model.

In April 2005, Mr. Watkins had a breakfast meeting with Dr. Park, during which Mr. Watkins informally indicated his interest in a potential business combination between Seagate and Maxtor. Dr. Park indicated that if a proposal were made by Seagate, he would review such proposal with the Maxtor board. Dr. Park informed the Maxtor board of this conversation.

On May 13, 2005, Seagate's board of directors held a regular meeting, during which Mr. Watkins apprised the other Seagate directors of his earlier conversation with Dr. Park regarding a potential business combination of Seagate and Maxtor. After discussion of the matter, the board authorized Mr. Watkins to explore a possible transaction with Maxtor.

On June 3, 2005, the Strategic and Financial Transactions Committee of Seagate's board of directors held a meeting to consider a possible business combination with Maxtor. Representatives of Simpson Thacher & Bartlett LLP and Gibson Dunn & Crutcher LLP, outside counsels to Seagate, as well as representatives of Morgan Stanley attended this meeting. During this meeting, Seagate senior management and Morgan Stanley discussed with the Seagate board of directors the potential strategic and operational benefits and risks of a business combination with Maxtor. After discussion, the committee unanimously approved a recommendation to the full Seagate board that the company pursue discussions with Maxtor regarding a possible business combination of the two companies.

On June 9, 2005, Seagate's board of directors had another meeting, which was attended by members of the company's senior management and representatives of Simpson Thacher and Gibson Dunn. During the meeting, Mr. Watkins apprised the other Seagate directors of the preliminary analysis that Seagate had performed regarding a possible business combination with Maxtor. Following this update, the board authorized Mr. Watkins to deliver a letter to the Maxtor board of directors indicating Seagate's interest in a potential business combination with Maxtor.

On June 10, 2005, Seagate engaged Morgan Stanley to act as its financial advisor in connection with a potential business combination of Seagate and Maxtor.

On June 11, 2005, at the request of Mr. Watkins, Dr. Park met with Mr. Watkins and Mr. James A. Davidson, another member of Seagate's board of directors, to discuss whether Maxtor would be interested in exploring a potential strategic business combination with Seagate. During this meeting and pursuant to the authorization of the Seagate board, Mr. Watkins delivered a letter dated June 11, 2005 to Dr. Park, and distributed the same letter to the rest of Maxtor's board of directors, indicating Seagate's interest in exploring a business combination with Maxtor and containing a proposed exchange ratio for a potential transaction, subject to due diligence and board approval of the two companies.

On June 14, 2005, Maxtor's board of directors held a special telephonic board meeting to review and discuss the written indication of interest from Seagate. In attendance were certain members of the company's senior management and representatives of DLA Piper Rudnick Gray Cary US LLP, successor to Gray Cary and outside



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counsel to Maxtor, and Citigroup. Citigroup reviewed the terms of Seagate's indication of interest, Seagate's likely goals and objectives, possible courses of action available to Maxtor and the history of discussions between the parties. DLA Piper reviewed with the board the fiduciary duties of directors in considering a strategic business combination with Seagate and other legal considerations, including antitrust review, Maxtor's anti-takeover posture and the possible benefits and costs of a stock purchase rights plan. Maxtor's board discussed the range of alternatives available to Maxtor, information required to make a reasonable business judgment regarding the appropriate course of action and possible responses to Seagate.

On June 17, 2005, Maxtor's board of directors held another special telephonic board meeting to review further matters relating to the proposed business combination with Seagate. Certain members of the company's senior management and representatives of DLA Piper and Citigroup attended this meeting. DLA Piper reviewed certain preliminary antitrust considerations relating to a business combination with Seagate. Citigroup reviewed preliminary views of Maxtor's strategic position, stock performance, market forecasts, analysts' views, financial performance of other independent drive manufacturers, strategic alternatives, information regarding Seagate and a preliminary analysis of Seagate's existing proposal.

On June 20, 2005, Maxtor's board of directors held another special telephonic board meeting, which was attended by certain members of the company's senior management and representatives of DLA Piper and Citigroup. During the meeting, certain members of senior management provided a review of management's business model and factors impacting Maxtor's ability to execute on the model, as well as Maxtor's current challenges and opportunities as a stand-alone company. Maxtor's management advised that a three-year plan was being prepared and would be presented to the board at an upcoming meeting. Citigroup reviewed with the board alternative responses to Seagate and the costs and benefits of each. DLA Piper reviewed Maxtor's current defensive position and advised the board regarding their fiduciary duties in considering anti-takeover measures and reviewed the costs, benefits and operation of a rights plan. Citigroup provided advice to the board regarding the acquisition environment and Maxtor's defensive posture. Maxtor's board determined to continue to evaluate the need for a rights plan. The board discussed with its advisors a proposed response to Seagate, as well as a proposed nondisclosure agreement and standstill to be executed prior to any discussions. The board discussed goals for the discussions with Seagate and authorized management to meet with Seagate to better understand the strategic and financial benefits and challenges of a proposed business combination with Seagate in comparison to Maxtor's prospects as a stand-alone company. The Maxtor board also requested a presentation on the three-year business plan and the various alternatives to the plan available to Maxtor for its next board meeting.

On June 23, 2005, Seagate and Maxtor entered into a non-disclosure and standstill agreement relating to, among other things, the provision of nonpublic information for each party's use in evaluating a possible strategic business combination.

On June 27, 2005, Maxtor's board of directors held a special board meeting, which was attended by certain members of the company's senior management and representatives of DLA Piper and Citigroup. During the meeting, certain members of senior management provided a financial update regarding Maxtor's quarter ending July 2, 2005 and a detailed operations update as to the second and third quarter of 2005 and presented management's three-year business plan. The board discussed with management the assumptions, the range of possible results under the plan, the risks and opportunities for growth and profitability and the likelihood of achievement of results consistent with the plan. The board also discussed Maxtor's current liquidity position. DLA Piper reviewed the terms of the non-disclosure agreement with Seagate, including the standstill covenant. Citigroup reviewed discussions it had with Morgan Stanley regarding Seagate's proposal, and provided an overview of the industry, competitive landscape, consolidation dynamics and drivers and a review of other potential strategic partners and acquirors. The board reviewed with its advisors each of the potential partners and acquirors. Citigroup also provided an analysis concerning Maxtor's three-year business plan, including discussion of the plan's assumptions, growth drivers, preliminary sensitivity analysis and preliminary valuation analysis based on the plan. Citigroup reviewed information relating to Seagate and another participant in the disc drive industry, and provided preliminary financial analysis of a pro forma combination with each of the

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identified industry participants. The board reviewed the relative contributions of Maxtor to a proposed business combination and compared the value to Maxtor stockholders from the combined company plan, including synergies, to the value potentially afforded to stockholders under Maxtor's business plan. The board noted the accretion to earnings possible for a combined company assuming a business combination with either of the identified industry participants, and the implications for Maxtor's negotiating position on valuation in the event of discussions regarding a possible business combination with either party. DLA Piper reviewed certain antitrust considerations relating to a proposed business combination with Seagate and the other identified industry participant and various legal considerations raised by a possible transaction. The board discussed the various alternatives available to Maxtor, including the execution of Maxtor's business plan and various business combination transactions. The Maxtor board authorized preliminary meetings between Seagate and Maxtor's management and financial advisors.

On June 27, 2005, Mr. Duston M. Williams, Maxtor's Executive Vice President, Finance and Chief Financial Officer, and representatives of Citigroup met with Charles Pope, Seagate's Executive Vice President, Finance and Chief Financial Officer, and representatives of Morgan Stanley. During this meeting, Mr. Pope presented Seagate's views on the expected benefits of a business combination of Seagate and Maxtor.

On July 1, 2005, Mr. Watkins, other members of Seagate's senior management and representatives from Morgan Stanley met with Dr. Park, other members of Maxtor's senior management and representatives of Citigroup to discuss the proposed business combination, including the exchange ratio proposal made by Seagate. At that meeting, Seagate provided Maxtor with an overview of the proposed transaction and Seagate's strategic rationale for the proposed transaction. In addition, the parties discussed various strategic, operational and legal issues associated with the possible business combination, including Seagate's regulatory analysis of a possible combination of the two companies.

On July 6, 2005, Maxtor's board of directors held a special telephonic board meeting to discuss the proposed business combination. Certain members of the company's senior management and representatives of DLA Piper and Citigroup attended this meeting. Citigroup provided a summary of the discussions with Seagate that had taken place since the previous board meeting. Mr. Williams provided an updated long range plan and reviewed the assumptions, risks and drivers in the plan, and Citigroup provided additional sensitivity analyses concerning the plan and a further preliminary valuation analysis for Maxtor. Citigroup reviewed a preliminary pro forma transaction analysis and additional information relating to Seagate and its proposal based on the latest discussions with Seagate. The board reviewed Maxtor's prospects as a stand-alone company and other alternatives available to Maxtor, discussing the execution of the strategic plan and its associated risks, and opportunities for growth and profitability under the plan. The board reviewed risks relating to consummation of a business combination with Seagate, including the possible adverse impact of the announcement of the transaction on Maxtor's relationships with its employees, suppliers, customers, as well as the possible adverse effect of the announcement and the pendency of such a transaction on Maxtor's ability to execute on its existing business plan, and the value created for stockholders if management continued to execute on the current business plan. The board discussed with DLA Piper deal terms designed to mitigate risks relating to the consummation of the transaction. In light of the significant risks of the transaction, the relative contribution of Maxtor to the combined company and the significant accretion offered in a business combination between Maxtor and Seagate, the board authorized Dr. Park to communicate to Seagate that further discussions between Maxtor and Seagate should be conditioned on Seagate's willingness to accept certain transaction terms providing certainty of consummation and a significant improvement in the relative valuation of Maxtor in the proposed transaction.

On July 10, 2005, Dr. Park met with Mr. Watkins to discuss the proposed business combination and to convey Maxtor's view of the significant risks to Maxtor if a transaction were announced and not consummated, Maxtor's view of its prospects as a stand-alone company and the Maxtor board's position that further discussions should be conditioned on Seagate's willingness to accept transaction terms providing enhanced certainty of consummation and a significant improvement in relative valuation of Maxtor in the proposed transaction. Dr. Park orally delivered a counter-proposal to Seagate's proposed exchange ratio for a business combination

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between the two companies relating to relative ownership of the combined company. Also on July 10, 2005, Mr. Pope and Mr. Williams, together with representatives of Morgan Stanley and Citigroup, continued to discuss the respective parties' positions on valuation and other related matters, but no revisions in either party's positions resulted from these discussions.

On July 13, 2005, Mr. Watkins telephoned Dr. Park to advise him that, due to a significant gap in each party's views on the valuation of Maxtor, Seagate would be sending Maxtor a letter terminating discussions.

On July 15, 2005, Seagate delivered a letter to Maxtor's board indicating that discussions would be terminated as of 5:00 p.m. Pacific Time on July 18, 2005 if Seagate did not receive an affirmative indication from Maxtor by that time that Maxtor would be willing to fully discuss the proposed business combination with significant flexibility on valuation, and reiterating the terms and exchange ratio initially proposed by Seagate on June 11, 2005.

Between July 13 and July 18, 2005, Dr. Park had numerous conversations with the Maxtor directors, DLA Piper and Citigroup to discuss Seagate's position and Seagate's letter, after which it was ultimately concluded that there was no Maxtor board support for a change in the position authorized by the board on July 6, 2005 and articulated by Dr. Park to Mr. Watkins.

On July 17, 2005, the Strategic and Financial Transactions Committee of the Seagate board held a meeting to further consider the proposed business combination with Maxtor. Mr. Watkins, other members of Seagate's senior management and representatives of Wilson Sonsini Goodrich & Rosati, Professional Corporation, which had been retained as additional outside counsel, Simpson Thacher, Gibson Dunn and Morgan Stanley attended this meeting. During this meeting Mr. Watkins updated the committee on the status of the discussions with Maxtor, including the deadline of July 18, 2005.

On July 18, 2005, Morgan Stanley and Wilson Sonsini contacted Citigroup to discuss the parties' respective positions, but no change in either party's position resulted. Later that day, Morgan Stanley contacted Citigroup to confirm that Seagate's board had decided to terminate discussions with Maxtor regarding the proposed business combination.

On July 21, 2005, Maxtor's board of directors held a special meeting, which was attended by representatives of DLA Piper and Citigroup. Dr. Park and Citigroup briefed the Maxtor board regarding the discussions between the parties leading to Seagate's termination of discussions regarding the proposed business combination.

On September 17, 2005, at the request of Mr. Watkins, Dr. Park met with Mr. Watkins to discuss whether Maxtor would be interested in re-engaging discussions regarding a possible business combination with Seagate. During this meeting, Dr. Park indicated that Maxtor would only proceed with discussions if the parties first came to agreement on fundamental principles regarding transaction terms relating to certainty of consummation. Dr. Park proposed that Maxtor would deliver to Seagate a draft term sheet proposing terms relating to deal certainty under which it would be willing to engage in further discussions on a proposed business combination.

On September 22, 2005, Maxtor's board of directors held a special telephonic board meeting, which was attended by representatives of DLA Piper and Citigroup. During the meeting, Dr. Park reviewed his recent discussions with Mr. Watkins and Seagate's desire to re-engage in discussions regarding a possible business combination. Dr. Park also reviewed his views on the hard disc drive industry, including the challenges and opportunities, and noted Maxtor's expected third quarter financial results and Maxtor's ongoing initiatives and efforts to improve its operating

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results. Dr. Park reviewed the strategic alternatives available to Maxtor, summarizing the risks and opportunities of each strategy, and the board discussed the alternatives and the risks and opportunities of each. Dr. Park reviewed his views on the most likely strategic partners for a business combination, including the costs and benefits associated with such partners. The board recognized that any business combination transaction would need to be compared against management's long range business plan,



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taking into account the risks and opportunities of each alternative. Dr. Park also reviewed the particular risks associated with a business combination with Seagate, including the possible adverse effect of the announcement of such a business combination with Seagate on Maxtor's business and the risk of non-consummation. The board determined that in view of the potential value of a strategic business combination to Maxtor's stockholders and the possible mitigation of risk of execution of Maxtor's operating plan as an independent company, it was in the best interests of Maxtor and its stockholders to re-engage in discussions with Seagate regarding the possibility of a business combination, subject to the condition that Seagate and Maxtor agree upon terms mitigating the risks of the deal not being consummated. DLA Piper reviewed proposed terms mitigating the risk of the deal not being consummated, including relevant market precedents. Citigroup provided its views on the proposed terms. The board authorized Dr. Park to communicate the proposed terms on certainty of deal consummation to Seagate with the clarification that the communications were not an indication of any position of the board on Maxtor's valuation.

On September 24, 2005, Dr. Park met with Mr. Watkins and presented a draft term sheet covering transaction terms designed to enhance the likelihood that the proposed transaction would be consummated after it was announced. Dr. Park reviewed the term sheet with Mr. Watkins and emphasized the importance of transaction certainty due to what Maxtor viewed as substantial risks for Maxtor as an ongoing company if a proposed business combination were announced but not consummated.

On October 5, 2005, certain senior members of Maxtor and Seagate management met with representatives of DLA Piper and Wilson Sonsini to discuss Maxtor's draft term sheet. On October 8, 2005, Dr. Park met with Mr. Watkins to continue these discussions. On the same date, Mr. Williams met with Mr. Pope to discuss Seagate's position regarding Maxtor's term sheet.

On October 10, 2005, Maxtor's board of directors held a special telephonic board meeting, which was attended by Mr. Williams and representatives of DLA Piper and Citigroup. During the meeting, Dr. Park reviewed with the board the discussions that had taken place since the previous board meeting, including the discussions concerning Seagate's revised term sheet relating to deal consummation. DLA Piper reviewed issues raised by Seagate's comments on the term sheet, and possible responses which would provide mitigation of the risk of a transaction not being consummated. Mr. Williams reviewed with the board the possible impact of the announcement of a strategic business transaction on Maxtor's business, the possible impact of a failure to close a transaction after announcement and the prospects of recovery in such event, reviewing various scenarios and the impact on Maxtor's prospects. The board discussed with DLA Piper and Citigroup various strategic alternatives available to Maxtor. The board reviewed with Citigroup other possible acquirors, including strategic buyers and financial buyers. The board discussed the relative likely interest and potential risks of non-consummation of an acquisition with these respective potential acquirors, and the significant risks to the company of engaging in discussions with one or more other potential acquirors, in terms of distraction of management from the execution on Maxtor's stand-alone plan, and possible adverse impact from premature announcement of such discussions. After reviewing the potential partners and financial buyers, the board concluded that other than Seagate only one possible acquiror, another industry participant, was potentially able and willing to pursue and consummate a transaction with value at least equivalent to the Maxtor business plan in the near term. The board concluded that given prior discussions with the component supplier with whom Maxtor had previous discussions, and who had subsequently terminated discussions with Maxtor in 2004 after it had determined that Maxtor would not be a good strategic fit, that such supplier would not be interested in a transaction at a value at least equivalent to the value offered by Maxtor's business plan and that any such combination with the component supplier would in addition involve very significant risks to deal consummation and potential harm to the discussions with Seagate or to Maxtor's business if any discussions with the component supplier were commenced and prematurely disclosed. The board also took into account the ongoing negotiations with the supplier regarding its component supply arrangement with Maxtor, and the board believed that any inquiry regarding a strategic combination with that party at the time would compromise the success of the pending negotiations. Based upon these considerations, the board concluded that no contact with that supplier was warranted. The board discussed the relative contributions of Maxtor to a business combination with Seagate and the other identified industry

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participant. The board recognized that the risks relating to deal consummation were somewhat lower with the other identified industry participant, but recognized that this participant's motivation for a transaction with Maxtor in the near term was significantly lower than the current interest shown by Seagate. The board concluded that Citigroup should initiate contact with the other identified industry participant after the board had additional information as to the terms relating to deal consummation proposed to Seagate. The board directed management to continue to execute on the current business plan. The board requested counsel to prepare a proposed response to the Seagate position on terms enhancing certainty of deal consummation.

On October 14, 2005, Maxtor's board of directors held a special telephonic board meeting, which was attended by Mr. Williams and representatives of DLA Piper and Citigroup. During the meeting, Dr. Park reviewed with the board the results of a two day operational review and the status of Maxtor operations and upcoming product releases as well as Maxtor's relationships with its OEM customers and suppliers. DLA Piper reviewed the proposed response to Seagate on the term sheet relating to deal consummation. The board authorized management and DLA Piper and Citigroup to provide the proposed response and to continue to negotiate with Seagate to obtain the best deal certainty terms possible, subject to board review and approval, and authorized Citigroup to initiate contact with the other identified industry participant to determine its interest in a possible strategic business combination. The board requested management's presentation on an updated long range operating plan for the November 11 meeting. Subsequently, Citigroup initiated contact with the other industry participant.

On October 15, 2005, Dr. Park met with Mr. Watkins and delivered a revised term sheet responding to Seagate's proposal and outlining the key deal certainty terms required by Maxtor.

On October 25, 2005, William L. Hudson, Seagate's Executive Vice President General Counsel and Secretary, communicated to Mr. Williams Seagate's positions on various terms.

On October 26, 2005, Seagate's board of directors convened its annual strategic planning meeting, which was attended by members of the company's senior management and a representative of Wilson Sonsini. During this meeting, the board discussed Seagate's strategic plans for the upcoming year and further considered the proposed business combination with Maxtor. Wilson Sonsini outlined the major legal requirements for the proposed transaction, including required stockholder approvals and regulatory requirements, including the regulatory process and likely schedule for seeking regulatory approval for the proposed transaction.

On October 27, 2005, Seagate's board of directors held its regular quarterly meeting, during which it continued its discussion and consideration of the merits and risks of the proposed business combination with Maxtor, integration of the two companies, critical factors to the success of the combination, valuation of the transaction and potential reactions from competitors and strategic partners. Following some additional discussion of the previous day's deliberations, the board continued to discuss the strategic rationale of the merger, as well as the risks and costs in completing the transaction. Mr. Hudson and Wilson Sonsini outlined the fiduciary duties of the board and future board processes in connection with the board's consideration of the business combination and various legal and regulatory issues that would and could arise in connection with the business combination. Following these presentations, the board authorized Mr. Watkins and other members of the company's management to continue their discussions with Maxtor regarding the proposed business combination.

On October 28, 2005 Dr. Park and Mr. Williams met with Mr. Watkins, Mr. Pope and other members of senior management of Seagate, and the parties' respective legal and financial advisors, to negotiate the terms and conditions of the transaction relating to certainty of consummation. During this meeting, Dr. Park and Mr. Watkins and their respective financial advisors had preliminary discussions on valuation. From October 31 through November 2, 2005, members of senior management of Seagate and Maxtor, as well as their respective legal and financial advisors, exchanged proposals and had several telephone conversations to negotiate the terms and conditions of the transaction relating to certainty of consummation.

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On November 3, 2005, Mr. Williams met with Mr. Pope, together with representatives of Morgan Stanley and Citigroup, to discuss Seagate's preliminary views on valuation for the transaction. On November 4, 2005,

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Dr. Park called Mr. Watkins to express Dr. Park's concerns regarding the valuation discussions of the previous day.

On November 9, 2005, Mr. Watkins contacted Dr. Park to convey that he would be sending Dr. Park a revised valuation proposal for the transaction prior to Maxtor's upcoming board meeting. In response, Dr. Park indicated that Seagate's revised proposal needed to reflect improvement over the valuation views expressed during the November 3, 2005 meeting to warrant further discussions regarding a transaction.

On November 10, 2005, Mr. Watkins transmitted an electronic mail message to Dr. Park indicating his willingness to increase the exchange ratio for the transaction from that implied by earlier valuation discussions between the parties earlier in November, subject to agreement on the deal consummation terms.

On November 11, 2005, Maxtor's board of directors held a regular board meeting, which was attended by members of the company's management and representatives of DLA Piper. During the meeting, management provided updates with respect to Maxtor's business, reviewed its proposed long range operating plan for 2006-2007 and discussed key assumptions underlying the plan. The board discussed the plan with management and asked for a revised plan to be presented at the board's next regular meeting on November 30, 2005. That evening, Maxtor's board of directors continued to meet in executive session and discussed with Citigroup and DLA Piper the various strategic alternatives for Maxtor. DLA Piper advised on antitrust matters relating to the proposed transaction with Seagate and a possible transaction with another industry participant and reviewed with the board the antitrust review process.

On November 12, 2005, Maxtor's board of directors held a special board meeting, which was attended by certain members of the company's senior management and representatives of DLA Piper and Citigroup. During the meeting, the board discussed with management their views on the various strategic alternatives available to Maxtor, including the strategic business combination with Seagate, or an acquisition or business combination with other industry participants or financial buyers, Maxtor's prospects and execution risks continuing as a stand-alone company, possible scenarios for restructuring of the company, and the risks and potential benefits of each alternative. Citigroup reviewed the status of contacts with the other identified industry participant and the status of negotiations with Seagate regarding valuation. The board discussed the Seagate proposal, including the ownership of the combined company and the premium over current trading prices, the negotiation history and the relative interest and ability to consummate a strategic business combination with Seagate and with the other industry participant. The board then discussed again with Citigroup and DLA Piper possible acquirors other than Seagate and the other identified industry participant, including both strategic and financial acquirors, and concluded, based on a review of the respective potential acquirors' possible interest in a business combination and ability to consummate such a transaction, that Seagate and the other identified industry participant were the only likely acquirors who might engage in meaningful discussions in the near term for a strategic business combination or acquisition providing at least equivalent value to Maxtor's stockholders to that offered by Maxtor's current business plan. The board also noted that other potential acquirors could propose a bid after announcement of a signed transaction and that any transaction the board would approve would permit consideration of a third party proposal. Citigroup reviewed Maxtor's long range operating plan as presented compared to street forecasts and industry research, a sensitivity analysis regarding Maxtor's long range operating plan and preliminary financial analysis regarding Maxtor's stand-alone value. Citigroup reviewed the strategic rationale and preliminary financial analysis, including the various implied exchange ratios based on historical trading prices, of a combination with Seagate and alternatively a combination with the other identified industry participant. DLA Piper reviewed the status of negotiations on the terms relating to deal consummation and various outstanding issues, and proposed responses. The board authorized management and its advisors to continue discussions with Seagate and the other industry participant.

On November 12, 2005, Dr. Park called Mr. Watkins to inform him that Maxtor's board had authorized the continuation of discussions regarding a transaction, although acknowledging that progress was still required on both valuation and deal consummation terms to reach agreement. Mr. Watkins and Dr. Park agreed to hold a meeting with their respective advisors to continue discussions.

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On November 16, 2005, Dr. Park and Mr. Williams met with Messrs. Watkins and Pope and other members of Seagate's senior management to further discuss the exchange ratio for the transaction and terms relating to deal consummation. Representatives of DLA Piper, Wilson Sonsini, Simpson Thacher, Citigroup and Morgan Stanley also attended this meeting.

On November 21, 2005, representatives of Citigroup met with management of the other identified industry participant to discuss the potential benefits of a strategic business combination between Maxtor and the other industry participant. Management of the other industry participant expressed limited interest in such a transaction and, although there were some additional telephone conversations between Citigroup and the other participant's management team, no further meetings were held between the parties or their representatives or advisors.

On November 22, 2005, Seagate's board of directors convened a telephonic meeting, which was attended by members of the company's senior management, as well as representatives of Wilson Sonsini, Simpson Thacher, Gibson Dunn and Morgan Stanley. Mr. Watkins updated the board on recent conversations with management of Maxtor and the due diligence process. Wilson Sonsini discussed the board's fiduciary duties when considering the proposed transaction, as well as various legal and regulatory issues associated with the business combination. Wilson Sonsini, Simpson Thacher and Gibson Dunn also discussed in detail their regulatory analysis of the transaction and the anticipated process and schedule for seeking regulatory approval. Following these presentations and a discussion of alternatives to a business combination with Maxtor, the board authorized the company's management to continue their discussions with Maxtor regarding the business combination.

On the evening of November 22, 2005, Mr. Watkins called Dr. Park to confirm that while there were still outstanding issues to be resolved on the proposed terms, the Seagate board was willing to proceed with the proposed business combination and had authorized Mr. Watkins to continue discussions with Dr. Park regarding the terms of such a transaction.

On November 30, 2005, Maxtor's board of directors held a special telephonic board meeting, which was attended by Mr. Williams and representatives of DLA Piper and Citigroup. During the meeting, Mr. Williams reviewed with the board a revised long range operating plan for 2006-2007, addressing the issues requested by the board on November 11, 2005. Citigroup made a presentation to the Maxtor board of directors regarding possible restructuring scenarios, reviewed the valuation impact from the hypothetical restructuring, and presented data and analyses to the board that indicated that there was no significant value created by the possible restructuring scenarios. The board discussed with Citigroup the risks of restructuring, including the distraction of management, the time required and the risks of consummation, and concluded that the restructuring alternatives did not warrant further study at the current time. Citigroup reviewed its discussions with the other identified industry participant, noting that based on their discussions with the other industry participant, the other industry participant did not view a transaction with Maxtor as a priority given its current strategic initiatives and perceived integration risks. Dr. Park reviewed the latest discussions with Seagate regarding valuation and deal consummation terms. DLA Piper reviewed the open issues relating to the terms relating to deal consummation. The Maxtor board discussed the terms and authorized the continuation of discussions with Seagate.

From December 2 through December 5, 2005, Morgan Stanley and Citigroup had numerous telephonic meetings on behalf of Seagate and Maxtor regarding potential valuation issues regarding the transaction, as well as certain terms and conditions that might affect the certainty of consummation of a potential transaction.

On December 5, 2005, Morgan Stanley and Citigroup discussed a proposed valuation for the proposed transaction, subject to agreement on terms relating to deal consummation.

On December 6, 2005, Dr. Park and Mr. Williams met with Mr. Watkins, Mr. Pope and other members of Seagate's senior management to negotiate the terms of the transaction relating to deal consummation. Also present at this meeting were representatives of DLA Piper, Wilson

Sonsini, Simpson Thacher, Morgan Stanley and Citigroup.

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On December 7, 2005, Maxtor's board of directors held a special telephonic board meeting to further discuss the proposed business combination, which was attended by certain members of the company's senior management and representatives of DLA Piper and Citigroup. During the meeting, Dr. Park provided an update as to the discussions with Seagate regarding the proposed transaction since the previous board meeting. Citigroup reviewed with the board the proposed valuation for the transaction. DLA Piper reviewed the status of negotiations regarding deal consummation and other transaction terms. Citigroup reported on a recent telephone conversation with the other industry participant's chief executive officer where the chief executive officer expressed continued skepticism regarding the benefits of a business combination with Maxtor and expressed no desire to engage in further discussions regarding the matter. Mr. Williams provided an update on Maxtor's expected results for the fourth quarter. The board authorized management to continue discussions with Seagate, subject to further board review and diligence.

On December 8, 2006, DLA Piper and Wilson Sonsini further discussed the terms and conditions of the transaction relating to certainty of consummation. DLA Piper and Wilson Sonsini reached a tentative understanding on these terms and conditions and agreed to recommend the proposed terms to their respective clients. Also on that day Seagate and Maxtor entered into a joint defense agreement.

From December 9, 2005 through the execution of the merger agreement on December 20, 2005, Seagate, with the assistance of Morgan Stanley, Wilson Sonsini, Simpson Thacher and Gibson Dunn, and Maxtor, with the assistance of Citigroup and DLA Piper, conducted an extensive business, financial and legal due diligence investigation of the business and operations of the other and the proposed business combination, including potential strategic synergies of the business combination, legal structure, and implementation and regulatory issues relating to the business combination.

On December 10, 2005, Seagate delivered an initial draft of the merger agreement to Maxtor. Thereafter, the respective legal advisors of the parties negotiated the terms of the merger agreement through December 20, 2005.

On December 12, 2005, Seagate and Maxtor made a series of management presentations to each other to facilitate their ongoing due diligence efforts in connection with the proposed business combination.

On December 15, 2005, Maxtor's board of directors held a special telephonic board meeting, which was attended by certain members of the company's senior management and representatives of DLA Piper and Citigroup. During the meeting, management provided an update on Maxtor's fourth quarter financial results and the long range operating plan and additional information regarding current business conditions and operations. Dr. Park reviewed the status of due diligence being conducted with respect to the proposed transaction with Seagate. DLA Piper reviewed the key terms and issues outstanding under the merger agreement and the board authorized continued negotiations. Citigroup updated the board on the business and financial due diligence review of Seagate. Dr. Park advised the board regarding a recent contact to a Maxtor executive officer from an officer in the foreign operations of the component supplier which had engaged in discussions regarding a business combination in 2004, expressing the supplier's officer's personal interest in Maxtor and the component supplier discussing a possible strategic transaction, although he had not ascertained the corporate interest of the component supplier in such a possibility. The board discussed the supplier's past negotiations and the fact that discussions were terminated in 2004 by the supplier due to lack of strategic fit, and recognized that it was unlikely that the supplier would be interested in a transaction with a value at least equivalent to that proposed by Seagate. The board also recognized the significant risks to deal consummation inherent in a transaction with the supplier, including the likely length of negotiations required for any business combination transaction, as well as the significant risks to the current proposed transaction with Seagate if there were any delay in finalizing the proposed business combination with Seagate. The board also took into account ongoing negotiations with the supplier regarding their component supply arrangement, and that any inquiry regarding a strategic combination at the time would compromise the success of the pending negotiations. The board took note of the provisions in the merger agreement permitting the board to consider third party bids representing a superior proposal and concluded, given the risks to the current transaction and the opportunity for the supplier to make a bid after announcement, that no further contact with the supplier was warranted.





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On December 16, 2005, the Strategic and Financial Transactions Committee of the Seagate board had a meeting to consider the proposed business combination with Maxtor further, and in particular, the regulatory analysis of the company and its advisors relating to the transaction. Mr. Watkins and other members of Seagate's senior management, as well as representatives of Wilson Sonsini, Simpson Thacher, Gibson Dunn and Morgan Stanley, also attended this meeting. During this meeting, Mr. Watkins updated the committee regarding the status of the discussions with Maxtor regarding the proposed transaction and reported on Seagate's due diligence review of Maxtor. Wilson Sonsini then outlined the major legal requirements for the transaction, including the required stockholder approvals and regulatory requirements of the transaction. Simpson Thacher, Wilson Sonsini and Gibson Dunn also reviewed the terms of the merger agreement. Gibson Dunn described its regulatory analysis of the transaction and the anticipated regulatory approval process for the transaction. During this meeting, the committee discussed the terms and conditions of the merger agreement relating to regulatory aspects of the transaction.

On December 17, 2005, Maxtor's board of directors held a special telephonic board meeting, which was attended by certain members of the company's senior management and representatives of DLA Piper, Citigroup and PricewaterhouseCoopers. PricewaterhouseCoopers had been engaged to provide an accounting diligence review to Maxtor regarding Seagate using limited procedures governed by consulting standards. During the meeting, management and representatives of DLA Piper, Citigroup and PricewaterhouseCoopers reviewed the results of the due diligence review of Seagate. Later that day, Messrs. Pope and Williams met to discuss the components of Maxtor's retention bonus plan. Negotiations regarding the components of this plan continued through December 20, 2005.

On December 17 and December 18, 2005, members of the management of Seagate and Maxtor and their respective financial and legal advisors convened numerous meetings to negotiate the final terms and conditions of the merger agreement. Mr. Pope also had meetings with Mr. Williams to discuss the terms of the proposed retention program being developed by Maxtor management.

On December 20, 2005, Seagate's board of directors convened a special telephonic meeting, which was attended by members of the company's senior management, as well as representatives of Wilson Sonsini, Simpson Thacher, Gibson Dunn and Morgan Stanley. Mr. Watkins updated the board on the status of negotiations with Maxtor regarding the proposed business combination. Wilson Sonsini updated the board on the status of negotiations with Maxtor with respect to the proposed merger agreement and voting agreements, and discussed the board's fiduciary duties with respect to their consideration of the business combination. Wilson Sonsini, Simpson Thacher and Gibson Dunn described their regulatory analysis of the transaction, as well as the anticipated regulatory approval process for the transaction. Counsel also described in detail the manner in which the regulatory aspects of the transaction would be reflected in the merger agreement. Morgan Stanley then presented its financial analysis of the proposed transaction, and Morgan Stanley rendered its oral opinion subsequently confirmed by delivery of its written opinion dated December 20, 2005, that, as of such date and based upon and subject to the factors and assumptions set forth in its opinion, the exchange ratio provided for in the merger agreement was fair from a financial point of view to Seagate. After discussion and consideration of the foregoing, the board unanimously determined that the merger on the terms discussed at the meeting was fair to, and in the best interests of, Seagate and its shareholders and declared the merger to be advisable, approved the merger agreement, resolved to recommend that the shareholders of Seagate approve the issuance of Seagate shares in connection with the transaction and directed that the proposal for the issuance of shares be submitted to Seagate's shareholders at a meeting of Seagate shareholders.

On December 20, 2005, Maxtor's compensation committee held a meeting and reviewed management's proposed retention strategy program. Members of management made presentations and representatives of DLA Piper and Hewitt Associates, the committee's executive compensation advisor, provided advice regarding the proposed program. The program included a \$100 million retention bonus program for key employees, acceleration of vesting of stock options, restricted stock awards and restricted stock unit awards held by employees who were not participants in Maxtor's Executive Retention and Severance Program upon certain terminations of employment following a change of control, the issuance of restricted stock and restricted stock units to key employees and continuation of severance plans for employees. The committee discussed the need for

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strong retention benefits to assist Maxtor in continuing its business between announcement and closing, particularly in light of the risk that the transaction might not be consummated. The committee approved the retention strategy program. The committee recognized that upon a change of control, vesting of options, restricted stock and restricted stock units held by participants in the Executive Retention and Severance Program would be governed by the terms of that plan. The committee also recognized that vesting of non-employee directors' options granted previously under the 1996 Stock Option Plan would not be accelerated in the merger without further action by the committee. The committee concluded that providing for the acceleration of vesting of director options on the same terms as the acceleration of vesting of options for employees generally would be consistent with the treatment of non-employee director options under the 2005 Performance Incentive Plan approved by stockholders in May 2005, and also consistent with the treatment of all other outstanding options. The compensation committee also approved the acceleration of vesting of director stock options.

Also on December 20, 2005, Maxtor's board of directors also held a special board meeting to consider the proposed merger with Seagate, which was attended by certain members of the company's senior management and representatives of DLA Piper and Citigroup. At this meeting, DLA Piper reviewed the final terms of the merger agreement and voting agreements to be executed by certain Seagate shareholders and advised the board regarding antitrust matters. Members of management reviewed with the board the various operating covenants, and the impact of announcement of the transaction on Maxtor's relationships with employees, suppliers and customers, as well as continuing operations. DLA Piper, Citigroup and management summarized the remaining legal, business and financial due diligence that had been conducted on Seagate. Dr. Park reviewed the terms of a retention strategy program approved by Maxtor's compensation committee, including the acceleration of vesting of options. The board was also advised that vesting of director options would be accelerated. Citigroup reviewed the financial terms of the proposed merger, summarized a financial presentation regarding the merger consideration, and delivered its oral opinion, confirmed in writing, to Maxtor's board of directors that, as of December 20, 2005, based upon and subject to the factors and assumptions set forth in its opinion, the merger consideration as set forth in the merger agreement was fair, from a financial point of view, to the holders of Maxtor common stock. The board discussed the strategic and business considerations relating to the proposed merger, the risks and benefits of the transaction compared to other alternatives available to Maxtor and the terms of the merger agreement. Following the presentations and discussion, Maxtor's board of directors voted unanimously to approve the merger agreement and resolved to recommend that Maxtor stockholders vote to approve the terms of the merger and adopt the merger agreement.

Following the meetings of the board of directors of each of Seagate and Maxtor, Seagate and Maxtor executed the merger agreement as of December 20, 2005. Also on December 20, 2005 all of the directors of Seagate as well as entities affiliated with those directors entered into voting agreements with Maxtor. During the early morning of December 21, 2005, Seagate and Maxtor issued a joint press release announcing the execution of the merger agreement and the merger.

**Reasons for the Merger and Board Recommendation**

The boards of directors and management teams of both Seagate and Maxtor believe that the proposed merger represents the best strategic opportunity for delivering increased value to their respective shareholders given the ongoing changes in the disc drive industry. The board of directors of Seagate and Maxtor approved the merger agreement and determined that the merger agreement and the merger are fair to and in the best interests of each of the companies and their respective shareholders and that the merger is advisable. In reaching their decision, the board of directors of Seagate and Maxtor identified several reasons for, and potential benefits to their stockholders of, the merger creating the combined company. Seagate and Maxtor believe these potential benefits include the following:

by enhancing scale, financial strength and capacity, the combined company will be better able to compete in the dynamic, rapidly evolving storage market;

the combined company will be able to leverage the companies' extensive research and development platforms and other technological resources in order to provide customers more innovative, diverse and compelling storage products and to get them to market more quickly and at more competitive prices;



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the combined company will have expanded capacity to better meet growing demand for higher capacity storage products and storage products for new applications;

the enhanced scale of the combined company will result in significant production efficiencies and reduced product costs; and

the combined company is expected to generate significant cost synergies in the form of approximately \$300 million in annual operating expense savings after the first full year of integration, including from combined research and development and sales and marketing efforts, as well as reduced supply chain costs.

## **Maxtor's Additional Reasons for the Merger and Board Recommendation**

In reaching its decision to approve the terms and conditions of the merger and recommend that the holders of shares of Maxtor common stock vote for the approval of the adoption of the merger agreement, Maxtor's board of directors considered a number of additional factors, including, but not limited to:

the premium represented by the merger consideration to the range of recent trading prices of Maxtor common stock;

the percentage ownership in the combined company represented by the merger consideration, which the Maxtor board believed was consistent with Maxtor's contributions to the combined entity;

the opportunity for Maxtor stockholders to participate in the potential growth and prosperity of a combined company as compared to the alternatives of Maxtor continuing as an independent company under its current turnaround plan, restructuring or engaging in another business combination;

the projected long term stockholder value represented by the combined company, including synergies, which exceeded the projected stockholder value based on Maxtor's long range operating plan;

the assessment by Maxtor's board of directors and Maxtor's management that the merger and Seagate's operating strategy are consistent with Maxtor's long-term strategic goals to seek to increase return on investment, improve time to market, broaden its product offerings, and reduce dependence on third party suppliers;

Maxtor's business, financial performance and condition, operations, management, competitive position and prospects, including:

- o its historical, recent and projected financial results;
- o the state of the hard disc drive industry, the competitive landscape and the business, financial and execution risks with remaining independent;
- o its relationships with customers and suppliers;

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- o increasing competition;
- o continuing adverse impact to gross margin from the cost of heads and other key components;
- o execution difficulties in product development and production adversely affecting quality and time to market for new products;
- o difficulties in achieving a reasonable return on investment in research and development;
- o engineering resource constraints;
- o the lack of a 1 product, a 2.5 product and a fibre channel product;
- o the need for improved processes to manage an increasingly complex business model; and
- o the additional capital required for Maxtor to remain competitive;

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Seagate's business, financial performance and condition, operations, management, competitive position and prospects, before and after giving effect to the merger;

the terms and conditions of the merger agreement, including:

- o the limited ability of Seagate to terminate the merger agreement and fees payable by Seagate with respect to certain events of termination; including the payment of a \$300 million termination fee to Maxtor in certain circumstances where the merger agreement is terminated;
- o the limited number and nature of the conditions to Seagate's obligation to close the merger;
- o the limited restrictions imposed on the conduct of the business of Maxtor in the period prior to closing; and
- o the fact that the merger agreement includes provisions permitting Maxtor to respond in certain circumstances to proposals for an acquisition of Maxtor, subject to compliance with the terms of the merger agreement, including the payment of a termination fee;

the results of the due diligence review of Seagate's business, finances and operations;

the design and implementation of a retention strategy program to retain employees whose dedication would be necessary to continue successful operation of Maxtor prior to the closing of the merger and thereafter;

the determination that an exchange ratio that is fixed and not subject to adjustment to reflect the strategic purpose of the merger and consistent with market practice for a merger of this type, and that the fixed exchange ratio fairly captures the respective ownership interests of the Maxtor stockholders and Seagate shareholders in the combined company based on valuations of Maxtor and Seagate at the time of the approval by Maxtor's board of directors of the merger agreement;

the expectation that the merger would be tax-free for U.S. federal income tax purposes for Maxtor's stockholders;

the fact that the Seagate common shares issued to Maxtor stockholders will be registered on Form S-4 and will be freely tradable for Maxtor stockholders who are not affiliates of Maxtor or Seagate;

the view that no other strategic transactions would likely be on terms as favorable to Maxtor's stockholders as those contained in the merger agreement, and that the most likely other strategic partner had expressed a lack of interest in engaging in a business combination with Maxtor at this time;

the opinion of Maxtor's financial advisor that, as of December 20, 2005, and based on and subject to the factors, assumptions, qualifications and limitations set forth in its written opinion as described below, the merger consideration was fair, from a financial point of view, to holders of Maxtor common stock and the related financial analyses; and

the fact that the merger is subject to the adoption of the merger agreement by Maxtor's stockholders.

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Maxtor's board of directors also considered the potential risks of the merger, including the following:

the possibility that the merger might not be completed as a result of the failure to obtain stockholder approvals or failure to satisfy other closing conditions;

the required regulatory approvals for the merger, the prospects and anticipated timing of obtaining such approvals and the amount of regulatory risk relating to the merger that Seagate has agreed to assume;

the risk that the government agencies from which Maxtor and Seagate will seek approval might seek to impose conditions on or enjoin or otherwise prevent or delay the merger, including requiring Maxtor or Seagate to divest assets as a condition to obtaining the approval, and the risk that the Merger might not be consummated if Seagate or Maxtor did not elect to make such divestitures;

the risk of deterioration of Maxtor's business in the interim period, whether or not the merger closes, and the possibility that Maxtor would find it difficult to continue as a stand-alone entity if the merger did not close;

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the risk of a decrease in the trading price of Seagate common shares between signing and closing that would reduce the aggregate value of the merger consideration Maxtor stockholders would receive upon the closing of the merger;

the challenges and costs of combining the two businesses and the substantial expenses to be incurred in connection with the merger, including the risks that delays or difficulties in completing the integration, which could adversely affect the combined company's operating results and preclude the realization of anticipated product synergies, cost savings or other benefits from the merger;

the risk of diverting management's attention from other strategic priorities to implement merger integration efforts and the fact that Maxtor management and employees will expend extensive efforts attempting to complete the merger and will experience significant distractions from their work during the pendency of the merger;

the possibility that the reactions of existing and potential customers to the combination of the two businesses could adversely impact the competitive environment in which the companies operate, including the potential loss of customers of either company as a result of any such customers' unwillingness to do business with the combined company, market confusion or response to potential service disruptions as a result of the integration process;

the risks to Maxtor from the announcement of the transaction on its employee relationships, and the mitigation of that risk afforded by the retention strategy program;

the possible loss of key management, technical or other personnel of either Seagate or Maxtor as a result of the management and other changes that will be implemented in integrating the businesses;

the fact that the merger agreement prohibits Maxtor from taking a number of actions relating to the conduct of its business prior to the closing without the prior consent of Seagate;

the risk that Maxtor had not contacted all possible bidders due to the potential significant harm to Maxtor's business from premature disclosure of a possible transaction involving Maxtor, although Maxtor's board of directors believed this risk was mitigated by (i) the terms of the merger agreement, which permitted Maxtor to terminate the merger agreement in favor of a superior proposal, (ii) the fact that there was no indication of current interest from the other industry competitor most likely in the view of Maxtor's board to consummate a transaction, (iii) the fact that Maxtor previously had unsuccessful negotiations in 2004 with a component supplier, the other acquiror most likely in the view of Maxtor's board to be able to consummate a transaction at an equivalent or greater value to the current proposal, and there did not appear to be any likely business combination transaction in 2005 or 2006 with such component supplier and (iv) Citigroup's review of other potential bidders for Maxtor and the Maxtor board's conclusion that there was no other party likely to have the ability and interest in consummating a transaction at the current time;

the \$53 million termination fee payable to Seagate upon the occurrence of certain events, and the potential effect of such termination fee in deterring other potential acquirors from proposing an alternative transaction that may be more advantageous to Maxtor stockholders;

the interests of certain Maxtor executive officers and directors as described in the section entitled "The Merger - Interests of Maxtor's Directors and Executive Officers in the Merger," which begins on page 62; and

other risks as described above under "Risk Factors."

The foregoing discussion of the factors and risks considered by Maxtor's board of directors is not intended to be exhaustive but summarizes the material factors and risks considered by Maxtor's board of directors in making its recommendation. In view of the wide variety of factors and



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risks considered in connection with its evaluation of the merger and the complexity of these matters, Maxtor's board of directors did not find it useful, and did not attempt, to quantify, rank or otherwise assign relative weights to these factors and risks. In

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considering the factors and risks described above, individual members of Maxtor's board of directors may have given different weight to different factors and risks.

Maxtor's board of directors conducted an overall analysis of the factors and risks described above, including thorough discussions with, and questioning of, Maxtor's management and Maxtor's legal and financial advisors. Maxtor's board of directors concluded that certain of the risks could be managed or mitigated and that, on balance, the potential benefits of the merger outweighed the risks of the merger. Based on the totality of the information presented, Maxtor's board of directors determined that Maxtor should proceed with the merger agreement and the merger and determined that the merger and the transactions contemplated thereby are advisable, fair to, and in the best interests of Maxtor and its stockholders, and recommends that holders of Maxtor common stock approve the adoption of the merger agreement.

## **Opinion of Seagate's Financial Advisor**

Seagate retained Morgan Stanley to provide it with financial advisory services and a fairness opinion in connection with the merger. The Seagate board of directors selected Morgan Stanley to act as its financial advisor based on Morgan Stanley's qualifications, expertise and reputation and its knowledge of the business and affairs of Seagate. At the meeting of the Seagate board of directors on December 20, 2005, Morgan Stanley rendered its oral opinion, subsequently confirmed in writing, that as of December 20, 2005, and based upon and subject to the assumptions, qualifications and limitations set forth in the opinion, the exchange ratio pursuant to the merger agreement was fair, from a financial point of view, to Seagate.

The full text of the written opinion of Morgan Stanley, dated as of December 20, 2005, is attached to this joint proxy statement/prospectus as Annex C. The opinion sets forth, among other things, the assumptions made, procedures followed and matters considered in and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion. We encourage you to read the entire opinion carefully. Morgan Stanley's opinion is directed to the Seagate board of directors and addresses only the fairness from a financial point of view of the exchange ratio pursuant to the merger agreement to Seagate as of the date of the opinion. It does not address any other aspects of the merger and does not constitute a recommendation to any holder of Seagate common shares as to how to vote at the Seagate special meeting. The summary of the opinion of Morgan Stanley set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. The Morgan Stanley opinion also does not address the prices at which Seagate common shares will trade following consummation of the merger or at any other time.

In connection with rendering its opinion, Morgan Stanley, among other things:

reviewed certain publicly available financial statements and other business and financial information of Seagate and Maxtor, respectively;