

Seagate among nation's top companies

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Seagate Technology, the Scotts Valley computer disk-drive manufacturer, is listed as the seventh most profitable American firm in an annual ranking by Forbes magazine.

The Jan. 11 issue of Forbes ranks 880 U.S. firms by tallying return on shareholders' investment over the past three to five

years.

Alan Shugart, chairman of the board at Seagate, said this morning he was pleased with the method Forbes used to rate companies.

"There are lots of different ways of rating companies, and this is one of the better ones," he said. "It's a true measure of how well the company is managing stockholders' money."

In the fiscal year ending June 30, 1987, Seagate reported net income of \$139.7 million on net sales of \$958 million.

Those figures more than double those of fiscal year 1986, when Seagate earned \$34.5 million on sales of \$460 million.

Seagate recovered from its 1985 slump, when its profit plummeted to only \$1 million on sales of \$215 million, and the workforce in Scotts Valley was

sharply reduced.

Seagate built a 200,000 square foot building in Watsonville in 1983, with plans to hire more than 1,000 people to manufacture disk drives. The company abandoned those plans when its sales dropped.

The shell of the building was completed and sat vacant until this fall, when Seagate announced plans to open a disk-manufacturing plant. Inside

construction began this month; the company plans to open in March with 800 workers.

Watsonville Mayor Betty Murphy said she was "not surprised (Seagate) is doing so well."

Murphy said she followed Seagate's performance on the New York Stock Exchange.

She said she had heard speculation that "because Seagate is

in such good financial condition, our worry about them being in-again, out-again Fin-negan might subside."

Murphy said she didn't know if other City Council members would stop worrying about the company's wavering, and said she herself was more concerned about the company's potential impact on Watsonville housing, traffic and toxic waste problems.