



## Ramsey exit to follow trade of Boulder firm

Tuesday, November 4, 1997

Lockheed Martin Corp. said Monday that it has reached an agreement to trade Boulder-based Access Graphics Inc. and certain other assets to General Electric Co. for \$2.8 billion in stock and that Access President John Ramsey will leave the computer distribution firm.

Ramsey - who has received national attention because of the murder of his daughter, JonBenet Ramsey, in Boulder last December - moved to Atlanta this past summer. He will be leaving Access at the close of the transaction, which is expected to be some time before the end of the year, said Laurie Wagner, vice president of corporate business development for Access.

Ramsey will be available for a period of time after that, at Lockheed Martin's request, to assist in the transition. Ramsey was in the process of establishing a worldwide headquarters for Access in Atlanta, Wagner said, while the North American headquarters were to remain with the 360-employee Boulder operations.

She said she had no additional details about how the sale to GE would affect those plans or operations in Boulder.

Ramsey could not be reached for comment in Atlanta.

His forthcoming departure was not a surprise to employees, because a change in management often accompanies a change in ownership, said Access spokeswoman Julann Andresen.

"Employees at Access are excited for him as he goes on to his new opportunity with Lockheed Martin," she added, noting that he will work in a consultant capacity for Lockheed Martin's Commercial Systems Group.

Bruce Bunch, a GE spokesman at its headquarters in Fairfield, Conn., said GE expects Access to be a nice complement to its own computer distribution business, called GE Capital Information Technology Solutions.

That GE business emphasizes the distribution of computer products using Intel chips and Windows operating systems, so Access strength in products with Unix-based operating systems should help it broaden its offerings, he said.

GE Capital Information Technology Solutions, which employs 10,000 people worldwide, will provide management for Access, said Bunch. He gave no particulars other than to confirm Ramsey's departure.

The unsolved Ramsey murder case and John Ramsey's move to Atlanta were absolutely not connected to Lockheed Martin's decision to sell Access, said Lockheed Martin spokesman Charles Manor.

Rather, he said, the deal was prompted by Lockheed's desire to acquire GE-owned preferred shares of Lockheed Martin, based in Bethesda, Md.

Those shares - which were received by GE in 1993 when the former Martin Marietta Corp. acquired GE Aerospace - would have been callable, or eligible for purchase, by Lockheed Martin in April of next year.

Since Lockheed Martin was willing to trade certain non-core businesses such as Access, GE and Lockheed eventually settled on the exchange announced Monday.

It calls for Lockheed Martin to receive all the preferred shares held by GE, which is convertible to 29 million shares of common stock valued at roughly \$2.8 billion.

Lockheed Martin plans to retire that stock, which represents about 13 percent of the company's 219 million fully diluted shares. Retiring those shares is designed to increase shareholder value.

In exchange for those shares, GE would get Access Graphics, a minority share in a telecommunications low-orbit satellite company called Globalstar Telecommunications, a maker of thrust reversers for commercial jet engines called Lockheed Martin Aerostructures, and some cash.

Although the exact amount of cash will be determined at the closing of the deal, GE's Bunch said it will be about \$1.5 billion, leaving a valuation of \$1.3 billion for the two operating companies and the minority stake in Globalstar.

GE expects a gain of \$1 billion from the transaction, and Lockheed Martin expects a gain of more than \$300 million.

The deal is subject to approval by federal regulators to assure that it complies with antitrust laws. The case will be assigned either to the Department of Justice or the Federal Trade Commission.

Paul Nisbet, aerospace analyst for JSA Research Inc. in Newport, R.I., said the transaction is a good one for Lockheed Martin, and others apparently agreed Monday. Lockheed Martin stock (NYSE:LMT) rose 4.1 percent, to \$99.125, and GE stock (NYSE:GE) rose 3.7 percent, to \$67.125.

Access Graphics, which hit \$1 billion in revenues last year and has already surpassed that mark this year, was having trouble making good profit margins, probably because it was a standalone operation, Nisbet said. GE may change that.

"I'd say it would probably be better for Access Graphics people to be with a company like GE," Nisbet said.

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