

Lang-Virgin secure support for rival bid

Report

Jane Boyle and Katherine Towers

The push by Mr Lindsay Fox and Mr Solomon Lew to relaunch Ansett faces a new threat after Lang Corporation and Virgin Blue said they could increase their bid for some of the airline's assets if they were allowed access to key financial data.

The announcement came as the Federal Court finally approved a \$195 million Federal Government loan to cover staff redundancies.

One of Ansett's administrators, Mr Mark Mentha, said the Government would begin transferring the \$195 million from early in the week. This would allow at least 4,800 of the 8,600 workers being made redundant to receive payments before Christmas.

"Within 24 hours [of the administrators receiving the funds] they will be available in everyone's bank accounts at the touch of a button," he said.

He revealed that the Fox-Lew syndicate would begin making job offers to former Ansett employees within days, while the issue of the status of frequent flyer points could be clarified in the new year.

Meanwhile, Lang Corporation and Virgin Blue said they had re-submitted a bid to buy Ansett's terminals, maintenance division and spare parts at the request of the administrators.

It is believed key Ansett creditors,



Grounded Ansett workers should begin to receive redundancy payments within days.

Photo James Davies

including the National Australia Bank and some airport operators, have put pressure on the administrators, Mr Mentha and Mr Mark Korda of Andersen, to explore the Lang-Virgin bid.

The administrators have so far withheld the information sought by Lang and Virgin, because the Fox-Lew Tesna syndicate, which has a conditional agreement to buy Ansett, has strenuously opposed releasing the data.

Over the past few weeks Lang chief executive, Mr Chris Corrigan,

has made direct approaches to creditors and indicated the Lang-Virgin deal could be worth more to them than the conditional deal with the Tesna syndicate.

The administrators have estimated the Tesna deal could return between 5¢ and 16¢ in the dollar to the airline's \$1.2 billion unsecured creditors, after priority staff entitlements are paid.

Lang said on Friday that if it were granted access to the data "we will be able to consider whether an offer could be made for additional Ansett

assets which would increase the returns to creditors".

Lang has an agreement with Virgin Blue to inject \$300 million into the no-frills carrier for the purchase of Ansett assets. Lang would take a controlling stake in the airline.

Outside the Federal Court on Friday, Mr Mentha confirmed that administrators had received an expression of interest by Virgin Blue but said the Fox-Lew bid was still far superior.