

# Court orders Ansett to sell terminal lease

**Barclay Crawford**

**ANSETT** administrators must sell the Sydney domestic terminal lease by Friday, potentially reducing the value of the prized asset by millions of dollars.

Federal Court judge Alan Goldberg yesterday dismissed an application by the administrators to delay the signing of the deed-of-sale arrangement by a further month.

Once the deed is signed, the Sydney Airports Corporation is entitled to buy back the lease at what it considers to be "a fair market price".

The terminal is considered to be the most valuable remaining asset of the collapsed airline.

Administrators Mark Mentha and Mark Korda had argued they needed the extra time to put the lease up for tender in a "competitive bidding environment" so it would sell for a better price.

If sold by tender, the lease is believed to be worth up to \$400 million.

On April 10, the Virgin Blue and Patrick Corporation partnership submitted a proposal to take over the lease. It has not yet been accepted.

But in the original lease,

signed between Ansett and the federal government in 1987, the Sydney Airports Corporation has the right to buy back the terminal if it is not sold within six months of the company going into receivership.

Sydney Airports Corporation claimed in court the application to defer triggered a buy-back clause in their

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**Mark Korda**  
Ansett administrator

Ansett lease agreement.

Administrators were desperate to gain a one-month extension on signing the deed of sale to give them time to put the lease up for tender, which would maximise the return to creditors.

There are 15 companies interested in the lease, including airlines, domestic terminal lease owners and infrastructure investors. The administrators believe the terminal lease to be "unique" because of the number of interested companies and the imminent sale

of the shares in Sydney Airports Corporation by the federal Government.

But the Sydney Airports Corporation told the court it was entitled to take hold of the lease once the deed was signed.

The corporation said it was suffering growing losses for each day the terminal remained vacant.

When Ansett collapsed, it left a debt of \$3.361 million.

Mr Korda said outside the Federal Court that the administrators had not decided whether to appeal against the decision.

"We will read the judgment and then review our options. It just means we have to move quicker rather than slower and we will continue with the sale process for all the airports," he said.

Last week, administrators sold Ansett's international cargo division to Patrick for an undisclosed sum.

In another judgment yesterday, Justice Goldberg delayed ruling on how much of the money provided to the administrators by Air New Zealand would be given to regional subsidiary Hazelton Airlines.