

KordaMentha begins sale process for CrossCity Tunnel

2 April 2007

Receivers and Managers of the Cross City Tunnel (CCT) today said they had begun a process to sell the asset.

The receiver, Martin Madden of KordaMentha, said he had sent out a number of confidentiality agreements to parties who had signalled their interest in the CCT.

“A sale at this stage is certainly one of our options,” Mr Madden said. “We have had a significant level of serious unsolicited inquiry in the tunnel. It is operating solidly and we are pleased with the patronage trends, though the numbers are obviously below the original projections. The tunnel, of course is in only the second year of a thirty year project.

“We are optimistic about the long term value of the asset and its place in Sydney’s infrastructure.

As I have repeatedly said, we do not contemplate a loss to the existing financiers.”

“We have been working on vendor due diligence for some weeks now and the level of interest is such that we believe the time has come to test the market.

“Interested parties are invited to submit an expression of interest. We have set up a data room to provide the necessary information for parties to undertake due diligence.” Mr Madden said. “The process is likely to take about six months.”

Mr Madden has appointed investment bank UBS as commercial adviser. Mr Madden was appointed receiver and manager by a syndicate of 16 banks owed about \$560 million on December 27 last year.

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KordaMentha

KordaMentha is a national firm that has built a reputation for successfully managing large, complex insolvency administrations. Its experience is unparalleled in Australia.

Martin Madden

Martin Madden is one of Australia’s most experienced Insolvency Practitioners and has in excess of 30 years experience. His most recent public engagements include the Administration and subsequent Liquidation of one of Australia’s largest building companies, Walter Construction Group Ltd. He recently completed the largest Australian Receivership for a group of 28 banks, Epic Energy’s Dampier to Bunbury Natural Gas Pipeline which resulted in no loss to creditors or financiers.