



**KordaMentha assists businesses facing challenging financial and performance issues.**

## KordaMentha News Article

### Making a success of corporate distress

THE insolvency experts KordaMentha, which has taken charge of the Cross City Tunnel, made their name in the wake of the collapse of Ansett in 2001.

Then the country's second largest airline, Ansett owed \$2 billion and about 15,000 people lost their jobs.

For the past five years, the firm has been selling off what assets the failed airline was left with and has so far raised \$1 billion to pay off creditors and fund entitlements due to Ansett's employees.

The most recent payment was made a week before Christmas when KordaMentha handed over \$27 million. Of this \$16.4 million went to former staff and \$10.6 million to the Federal Government.

About \$667 million has been paid to Ansett staff who will eventually get 90 cents in every dollar owed them, says KordaMentha's principal partner, Mark Korda. Mr Korda founded the company with the other Mark - Mark Mentha - after they left the accountancy firm Arthur Andersen. The two led an 80-strong team who worked solely on the Ansett collapse before moving on to an ever-growing list of business failures.

KordaMentha likes to portray itself as a rescuer of companies in distress and it has turned around many of the businesses it has been appointed to run.

But it has also often got troubled companies into viable shape to sell, thereby raising enough money to satisfy the banks and financiers who appointed the firm to recover their original loans.

One of KordaMentha's most successful receiverships was the Dampier to Bunbury gas pipeline in Western Australia which went bust in 2004.

The pipeline was finally sold for \$1.86 billion with no loss to the creditors or the syndicate of 28 banks that funded the project.

The KordaMentha partner who handled the sale?

Martin Madden, now in charge of the Cross City Tunnel.

The 16-member syndicate of local and international banks that appointed Mr Madden will be hoping he can do with the tunnel what he did with the pipeline.