



News Release

Asia's Largest Airline Expands to New Sydney CBD Location

Date: 7 December 2011

The world's fifth largest airline measured by passengers carried has purchased 120 Clarence Street, Sydney for an undisclosed sum.

China Southern Airlines, which is also Asia's largest airline in terms of both fleet size and passengers carried, bought the seven storey heritage building from Conset Investments Pty Ltd, which is owned by well known Sydney lawyer, John Landerer. The property is one of a portfolio of properties owned by the Landerer Group in the city and metropolitan areas.

The Vendor recently announced it was a partner in the development of the proposed new 300 plus room 4 star Rydges Hotel at the Sydney International Airport.

Originally built in 1909, the 1,151sqm building has undergone numerous refurbishments and comprises some ground floor retail space.

Will Mulvihill and Bill Rees of Henderson & Horning, who sold the building on behalf of the owner were approached by China Southern Airlines looking for a freehold building, rather than strata.

Mr Mulvihill said "the building was not on the market and not actively available for sale however the lease expiry profile enabled China Southern Airlines the ability to occupy most of the building relatively quickly and a sale at a premium price made good sense to both parties". The property was purchased on an initial net yield of 5.65%.

John Bowie Wilson, Director of City Sales at Knight Frank, who acted on behalf of China Southern Airlines, said a number of high profile buildings in the CBD were identified as suitable options, but 120 Clarence Street proved to be perfect for the company's Flagship location.

Built in 1909 and refurbished in early 2000, the building's fit out is being managed by Knight Frank Project Management & Building Consultancy for China Southern Airlines to occupy levels one to four in mid 2012, having outgrown its current location at 25 Bligh Street.

China Southern Airlines currently has offices in Sydney, Melbourne, Brisbane and Perth.

In 2010, China Southern Airlines carried 76.5 million domestic and international passengers with an average load factor of 79.2 per cent. The airline reported a net profit of CNY5.8 billion (AU\$889 million) in 2010

Ends

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Notes to Editors

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