AND FINALLY
AINE COFFEY

Mind guru suffers crude awakening

BELIZE Natural Energy (BNE) must be giving headaches to controversial lifestyle and "mind technology" guru Tony Quinn these days.

The company has lost its exploration rights in the country that has proved a financial gusher — although not for the Irish BNE shareholders who never received a dividend.

Last month, Quinn was ordered to give an Irish deposition as part of a court action in Denver, Colorado. It was brought against the company's parent, International Natural Energy (INE), by a former director.

Jean Cornec claims he was not paid in full for a $15m (€11.4m) sale of his shares to Susan Morrice, INE's chairwoman and a Quinn devotee. Morrice has countered the claim by alleging that Cornec broke their contract by embarking on a campaign of disparagement against Quinn, who spends much of his time in the Bahamas. Separately, a Caribbean court found last year that Quinn was in breach of his fiduciary duties as a director of INE.

The Belize government confirmed BNE's exploration rights have expired and are going instead to rival Perenco. BNE retains its Spanish Lookout and Never Delay oilfields for 25 years from commercialisation.

The news must be rather a shock, given that BNE had believed it would win out. Mind technology, how are you.

'Tree' sale nets harvest

RECESSION? Not in Blackrock. A house owned by Dave McKenna, the founder of Marlborough Recruitment in another life, and a financial supporter of the former taoiseach Bertie Ahern, has just sold at not far off the €1.4m asking price. Six bidders chased Nussbaum, a 530 sq metre detached pad that was put on the market by Permanent TSB after being repossessed in February 2011.

McKenna, who told the Mahon tribunal he contributed to a "dig-out" for Ahern in 1993, paid more than €4m in 2007 for Nussbaum (that's Walnut Tree in German). The buyers of the house are understood to be a local family, who will be glad they sat out the bust. McKenna is now digging for gold on the mean streets of the Middle East.

In another Bertie Ahern-linked nugget, the helicopter formerly owned by the Quinn Group has finally changed hands. The eight-seater 2000 Augusta A109E was being marketed through Premier Helicopters in Dublin for €1.7m. Records show ownership of the whirlybird was re-registered to a UK owner in late January.

As well as using the helicopter for important corporate business and the odd GAA match, Quinn lent it to Ahern in 2002 for electioneering in Donegal. Ah, those were the carefree days.

Aviva's goal is to score with staff

THE smell of roast beef and freshly shelled prawns will waft around the Aviva stadium today as the Six Nations rugby tournament swings into action. Of course, corporate hospitality is really more like corporate hostility these grim days as companies risk being seen as lording it. AIB has previously turned its box over to charities.

It's quite a poser for Aviva, the insurance company that paid heavily for the naming rights. It has the stadium's biggest corporate box, but is also letting go of 950 staff.

Rather than cosseting its customers, word is Aviva has opened the box to 47 staffers today. Management and the frontline shoulder to shoulder and all that stirring stuff.

Burger boss in Bowl blitz

PAT McDONAGH, owner of the Supermac's chain, is hoping to score some tasty publicity from today's Super Bowl, when the New England Patriots take on the New York Giants. He is setting up an elaborate media room, sponsored by Jameson, in his Claddagh Irish Pub in Indianapolis, near the Lucas Oil stadium.

Thirsty hacks seeking peace from the stadium, where Madonna, *pictured*, will perform, will get access to big screens, free wi-fi and free sustenance.

One million fans are expected to roll into Indianapolis. "We will hopefully get the brunt of it," said McDonagh, who hopes to make up to 10 times the pub's normal daily turnover.

McDonagh, who bought 15 Claddaghs out of chapter 11 after a legal row with his former co-investor, will open another this year. He won't be at the Super Bowl himself, preferring to go to the Aviva to watch Ireland versus Wales. The Supermac's Bowl, anyone?

Supercar leads McLaren's new race for glory

Karl West

THE headquarters of Britain's newest carmaker shimmers like a white spaceship in the Surrey countryside.

The giant McLaren campus just outside Woking is where Ron Dennis, executive chairman, and his team plot their latest campaign for the Formula One championship. It is also, since last year, where the group builds sports cars to rival Ferrari and Lamborghini.

McLaren Automotive has become Britain's newest car manufacturer amid a renaissance in the industry.

About 1.34m vehicles rolled off UK production lines last year, a 6% rise on 2010, helped by the popularity of models from Nissan, Mini, Jaguar and Land Rover. Britain now ranks fourth in Europe, behind Germany, France and Spain.

Output peaked at 1.9m vehicles in 1972, under the nationalised British Leyland — a total that could be surpassed within five years, according to the Society of Motor Manufacturers and Traders, the industry body.

Inside McLaren's production centre, staff cluster round carcasses of the MP4-12C, its first large-scale commercial road vehicle.

They are installing electronics, bolting on components, buffing and polishing. There is no mess, no loud noise, and not a single robot is used in the assembly process. The only conspicuous piece of automated equipment is a measuring device. Two tiny cameras whizz round an almost-complete vehicle, checking to within fractions of a millimetre that every curve and angle is perfect.

It is nothing like a Ford or Nissan production line. McLaren produces only nine of the £168,500 (€203,000) cars a day. This is low-volume, high-value manufacturing.

The goal was to produce a sporty car that performs well but is also practical and comfortable. "It is a car that could beat any other car in its class on the track, but it's also a car your granny could take to the shops," said Antony Sheriff, managing director of McLaren Automotive.

The £40m production centre was officially opened in November by David Cameron. The coalition has identified the car industry as a key sector in its attempt to rebalance the economy by increasing exports.

McLaren employs 1,850 at the new complex. About 750 work in the manufacturing plant, with the rest at the neighbouring McLaren Group, which includes the F1 arm.

The automotive operation was formed by Dennis in 2009 to diversify from F1. As well as himself, the investors include Peter Lim, the Singapore billionaire, and Bahrain Mumtalakat, the sovereign wealth fund. Dennis and the Bahrain fund are also investors in McLaren Group. This level of backing has given the carmaker "the flexibility to do what we want", Sheriff said.

There has already been talk of a possible stock market listing within five years. "Our investors are correctly focused on building value, which gives more options for an exit," Sheriff said. "That exit may be in three years, five years or seven years, but for now they are focused on growing the business."

Unlike his counterparts at Ford and Nissan, Sheriff could not care less about volume. His strategy is to be small, but to be the best.

Sheriff unveiled the car two weeks ago to the company's 35-strong worldwide network of dealers. "Their jaws hit the floor," he said.

It is unlikely to be the last surprise to emerge from the McLaren campus.

TV supremo keeps his focus

BSkyB's rule over pay TV is under threat from a host of new rivals. Its boss Jeremy Darroch is ready, writes **Simon Duke**

TOM STOCKILL

Common touch: Darroch says his drive is rooted in humble origins

For the man who controls one of Britain's biggest media companies, Jeremy Darroch is defiantly non-luvvie. He dresses like a woodwork teacher. Put that with his flat Geordie vowels and you would think he was a middle manager from a Midlands widget maker, rather than the driving force behind BSkyB, Britain's most profitable broadcaster.

Darroch looks like he would recoil in horror if he had to cross the threshold of London's Soho House with its noisy, self-absorbed throng. "When I joined Sky I had no experience of the media industry. One of the things that surprised me was how inwardly focused it was. I've deliberately tried to stay away from all of that."

Anti-luvvie is good business. Sky now takes an average of £544 (€654) a year from two in five British homes — a penetration and income about which other media firms can only dream. A recent survey by a high street bank found — almost unbelievably — that nearly half its customers would stop paying their mortgage before they gave up their satellite dish.

Darroch, 49, has run Sky since 2007. He couldn't have chosen a better location to avoid the limelight. Sky's headquarters are in an ugly business park in the anonymous western outskirts of London. We meet in a gleaming new TV production facility that cost more than £230m to build. Yet on a bitterly cold morning last week, there was little of the razzmatazz you might expect at Britain's dominant television company.

It is clear that Darroch prefers this to the rarefied world of the average FTSE 100 boss. "I try to talk to our employees and customers at contact centres and travel around the country a lot," he said. "I was born and brought up in Newcastle and they're never short of an opinion there."

Built on the foundations of football and films — to which has been added broadband and telephone services — Sky has become a formidable money-making machine.

Unlike most of its rivals, it emerged unscathed from the recession. Although pricey, its subscription packages work out cheaper for a week than a meal out or a family trip to the cinema, as Darroch is fond of pointing out. Subscriber numbers continued their relentless rise during the economic downturn.

Sky's operating profit climbed 16% to £601m in the final six months of last year and it raised its dividend by 5%. This comes on top of the £750m that Sky set aside for buying back its shares after the collapse of last year's takeover approach from News Corporation, which owns The Sunday Times and retains a 39% stake in Sky.

For the first time, however, the Sky citadel is under siege. The likes of Amazon are taking aim at the lucrative pay-TV market, and Apple and Google are said to be considering bidding for the rights to Premier League football. Darroch, though, appears unperturbed by these threats.

"People coming into this market shows there is opportunity here, which is a good thing," he said. "This is a vibrant marketplace that's changing rapidly — there's a lot of opportunity ahead of us."

Last week, though, Sky was forced into what looked to some like a rare reactive move. The broadcaster unveiled a new service that will stream TV over the broadband network on to smartphones, tablet computers, new internet-enabled TVs and an array of other devices. Initially it will offer Sky Movies, but eventually it will expand into sports and other programmes. Customers will be able to pay a monthly fee for unlimited access to Sky Movies or rent single films.

The move follows the launch of cut-price streaming services from Lovefilm, a DVD rental business owned by Amazon, and Netflix, an American rival. The latter has vowed to spend a "couple of billion" dollars on content to bolster overseas expansion. "There will be some marginal overlap between customers, but there's no evidence to suggest that the low-price offer wins," said Darroch.

Rather than undercut the overseas raiders, Sky is going after the 13m households that don't pay for TV services. As most new TVs have online connections, the internet could become a "big distribution platform for us".

Sky's streaming packages could "potentially" feature on YouView, the much-delayed internet TV service backed by BT, ITV, the BBC and others which is expected to debut this year, said Darroch.

The company is already facing a Competition Commission probe into its stranglehold on film broadcast rights. And the stark reality is that Sky must look for new areas of growth as its pay-TV business plateaus.

The group added 40,000 television customers in the final three months of 2011 — traditionally its strongest quarter — compared with 140,000 additions in the same period in the previous year. Its profits are surging, though, because Sky is selling broadband and phone packages to more of its 10.5m customers.

The danger is that with household budgets coming under immense pressure, Sky subscribers may opt to trade down to a cheaper internet package from Sky or one of its rivals. So does Darroch fear cannibalising his own subscribers? "Not at all. Satellite will remain a very attractive place to deliver television in all of its forms for as far as the eye can see."

Broadcasting over satellite is an efficient way of beaming large amounts of TV over the ether, but it lacks two-way interactivity. So Sky is folding other technologies into its satellite offering. For instance, Sky's new Formula One channel will have its own iPad application, allowing viewers to watch races from different cameras and download technical data and Twitter feeds.

The high-tech world of pay-TV is a far cry from Darroch's roots in 1970s Northumberland. The son of a tax inspector and grandson of a miner, Darroch studied economics at Hull University before spending a dozen years at Procter & Gamble.

His big break came in 2000 when he was recruited by Ian Livingston, now his counterpart at BT, but then the finance director of Dixons, the electronics retailer.

When Livingston moved on two years later, Darroch took his place before being poached by Sky in 2004 to work for James Murdoch, then Sky's chief executive and now chairman.

Darroch says his drive is rooted in his humble origins. "When you come from what is essentially a working class background you have a desire to do better."

The next big question is what Darroch will do with the £1 billion in cash the company generates every year. In the short term, shareholders can expect to continue to bank generous windfalls. It may not be long, however, before Sky has to dig deep to fend off its many new rivals.