4. Quinn Company History including Quinn Insurance

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Background
The QUINN group has its strategic centre located along the Cavan/Fermanagh border in Ireland where its founder, Mr Sean Quinn, originated from and was once its Chairman and Managing Director.

The origins of the Group lie in the supply of sand and gravel to local builders and farmers. Founded in 1973, it has been transformed over the years from a small local enterprise into a multi national organisation.

Throughout the 1970’s, the company developed its product range with the quarrying of aggregates, the production of readymix concrete, the manufacture of concrete blocks and the establishment of a concrete products manufacturing plant in Williamstown, County Galway.

With this successful base as its foundation, the company expanded into the national market in the 1980’s with the establishment of a roof-tile factory, a pre-stressed concrete factory and a 0.5 million tonnes per annum cement works at Derrylin. This was further complemented in 2000 with the opening of the Group’s second cement works at Ballyconnell, County Cavan. This plant has a capacity to produce in excess of 1.3 million tonnes per annum.

The 1990’s saw further expansion of the Group with additional manufacturing operations comprising QUINN lite Pac Ltd., a leading manufacturer of polystyrene insulation products; QUINN tarmac, a bituminous tar manufacturing plant; QUINN lite, an aircrete block manufacturing plant; and QUINN glass Ltd. which operates two of the most modern container glass plants in the world.

The Group’s general insurance company, QUINN-direct Insurance, commenced trading throughout Ireland in January 1996 from its headquarters in Cavan Town. It also has branch offices in O’Connell Street, Dublin, Cork, Meath and Fermanagh, with Service Centers located at Blanchardstown, Dublin and Manchester, England and has quickly become a major player in the insurance business in Ireland and United Kingdom. With the success of its general insurance business behind it, the Group expanded into Pensions and Investments with the establishment of QUINN-life in 2000, and in 2007 through the acquisition of BUPA Ireland, now operates in the Healthcare Sector as QUINN healthcare.

In 2008 Quinn Insurance invested 25m in a new office facility in Cork City providing 500 new jobs over four years and significantly expanding in Ireland with over 2500 employees to trade in both UK (2004) and Irish insurance market by 2010. The Group overall employs over 5,500 people in Ireland, UK and Europe, and has been in business for over 30 years.
QUINN-group is one of Ireland’s leading companies with sales of €2.1bn for 2007 having increased from €1.6bn in 2006. The Group has strong market positions in all of its key business areas, with a strategy of being the most efficient/lowest cost producer in each segment so driving competitive advantage.

QUINN-Insurance is an indigenous Irish general insurance company having started operations in 1996. With over 250,000 policyholders the company has been recognised by government and regulators as a key player in driving down insurance costs in Ireland, which has historically had one of the most prevalent claims cultures in Europe.

It entered the United Kingdom market during 2004 where it continues to establish its presence and grow its market share. The past development indicates that increased market share is achieved through organic growth. This growth is driven by a continued commitment to detailed cost control and exceptional customer service.

**Renewal Energy**

Other related operations include two wind-farms at Slieve Rushen (54MW), Derrylin, Co. Fermanagh and Snugborough (13.5 MW), near Ballyconnell, Co. Cavan with a generation capability of 67.5 MW, a modern highly engineered landfill site in County Armagh with also the capability for electricity generation. The group is also in the planning stages of a Combined Cycle Gas Turbine (CCGT) power plant in Toomes, Co. Louth. The 450MW Combined Cycle Gas Turbine power plant will use natural gas to fuel the generation of electrical energy.

The Group’s insulation division was further complimented by the establishment of **QUINN therm** which produces polyurethane insulation products.

Hand in hand with the development of its manufacturing operations, the Group expanded its property portfolio during the 1990’s and 2000’s. This now includes:

- **The Slieve Russell Hotel and Country Club, Co. Cavan**
- **Buswells Hotel, Dublin**
- **The Iveagh Fitness Club, Dublin**
- **The Crown Plaza, Cambridge, UK**
- **The Holiday Inn, Nottingham, UK**
- **The Hilton Hotel, Prague, Czech Republic**
- **The Ibis Hotel, Prague, Czech Republic**
- **The Hilton Sofia, Bulgaria**
- **The Belfry, Wishaw, UK**

Acquisitions have focused on central and Eastern Europe and these include:

- **Leonardo Business Centre, Kiev, Ukraine**
- **The Sheraton Krakow, Poland**
- **Kutuzoff Business Centre, Moscow, Russia**
- **Q-Park Logistics Park, Kazan, Russia**
- **Univermag Ukraina, Kiev, Ukraine**
- **Prestige Mall, Bahcesehir, Turkey**

The public house division includes seven of the top public houses in Dublin – The Cat & Cage, Quinns of Drumcondra, The Shamrock Lodge, The Q-Bar, The Barge, Messrs Maguire – as well as Quinns Bar, Cambridge.
In 2004 the Group acquired Barlo Group plc. Leading on from this acquisition several new divisions were formed within the Group:

- **QUINN radiators**, one of Europe’s leading producers of domestic and specification radiators.
- **QUINN plastics**, Europe’s largest manufacture of extruded transparent sheet and coloured sheet plastics.
- **QUINN packaging**, which produces packaging and containers for the food industry.

2005 saw the development of a new radiator production facility in Newport, South Wales. This major investment has created the most modern and efficient radiator plant in the world, with an output capacity of 4 million radiators per annum.

**QUINN packaging** completed a brand new 19,000sq. m. facility in 2006 at Quinn Industrial Park, Ballyconnell, Co. Cavan, close to Group HQ. This new facility is focussed on servicing both the rigid and flexible packaging industries in Ireland and the UK.

Within the plastics sector the Group embarked on a major expansion programme with the establishment of a Methylmethacrylate (MMA) production facility through its subsidiary **QUINN chemicals** GmbH in Leuna near Leipzig, Germany.

**Quinn Direct Enters Uk Motor Insurance Market Offering Cheaper Cover for Young Motorists**

QUINN-direct, which dramatically shook up the Irish insurance market in recent years, launched a low cost private motor cover in the UK, in a move that it believed will have a similar impact on the UK market.

With move into the UK, QUINN-direct provides motorists of all ages with competitive motor insurance prices, but particularly first time and inexperienced drivers, many of whom struggle to find affordable motor insurance cover elsewhere.

The company prides itself on being able to offer motorists reasonably priced motor insurance cover on the basis of savings it can make in the claims management process. It also offers easy monthly payment plans to all ages so making it easier to get on the road. Cover is instant over the phone or online.

According to Kevin Lunney, General Manager, the entry of QUINN-direct is of a major benefit to UK motorists. “QUINN-direct has completely changed the motor insurance industry in Ireland by continually reducing the cost of motor insurance for consumers and we intend to do the same in the UK. Motorists, especially young motorists, are paying too much for motor insurance and we can offer them a way to get on the road without having to pay crippling insurance costs,” he added.

The company has been selling Commercial or Business insurance in the UK for the past 24 months and is also launching a Commercial Vehicle product later this month. It also recently opened its first UK sales support centre in Salford Quays in Manchester.

**Quinn Insurance under Administration**

As an insurance provider, it is a regulated entity and is subject to the regulations of the Financial Regulator in Ireland which has lead to the company being put into Administration.
Mr Justice John Cooke appointed Paul McCann and Michael McAteer of Grant Thornton as joint provisional administrators to Quinn Healthcare and Quinn Direct following a High Court petition by the Financial Regulator on March 30th, 2010.

The court was told that there was “serious concern” about the financial position of Quinn Insurance, and that Quinn Insurance has “significantly breached” its solvency ratios and extended guarantees of €448 million to other companies in the Quinn Group. These guarantees had a serious impact on the Quinn Insurances balance sheets.

The regulator had asked Quinn Insurance to provide a financial recovery plan, which was submitted in early March but that, and subsequent revised plans were deemed unacceptable and the Financial Regulator said the profit forecasts were unrealistic.