MediaBook

Summary

Publication: Irish Times Business
Date: Wednesday, April 1, 2015
Page: 1
Extract: 1 of 1
Circulation: 76.882
Author: MARK PAUL
Headline: C&C evaluating sale of English cider division

C&C evaluating sale of English cider division

Heineken also investing €20m in new cider to compete with Bulmers in Ireland

C&C reported to be working on a strategy to address problems in England, Wales

MARK PAUL
Business Affairs Correspondent

A C&C institutional shareholder says the Bulmers/Magners cidermaker is "actively evaluating" its options for its business in England and Wales, including selling off the struggling division, as US investors including Morgan Stanley continue to build larger stakes in the company.

Third Avenue Management, a New York-based fund manager that bought a small stake in C&C earlier this year, told its clients in a recent note C&C is working on a strategy to address its problems in England and Wales, where it suffers from a poor distribution network and heavy competition.

"The company is actively evaluating solutions to address these issues, which could take several shapes including an acquisition, a partnership or a divestiture of the UK business altogether," said Third Avenue, in a note written by fund managers Matthew Fine. The seemingly well-informed statement echoes recent comments by Kenny Neison, the chief financial officer of C&C.

Last October, when C&C planned a since-aborted €1 billion bid for the Spirit pub group, Mr Neison said it could "downsize" its business in England and Wales if it failed to land Spirit.

C&C is understood to be openly telling members of the investment community it has no intention of launching another bid for a pub group in England.

That leaves it with options including buying or partnering with a distributor, as it has in Ireland and Scotland, or selling its English cider division entirely. Some US institutional investors are continuing to build up stakes in C&C, possibly in anticipation of some sort of future deal.

Morgan Stanley increased its stake on Tuesday from below 3 per cent to 4.8 per cent, while FMR has recently built its stake up to more than 9 per cent.

Setanta Asset Management and State Street also recently increased their shareholdings in C&C, which declined to comment on Tuesday.

In an interim management statement in January, C&C said its England/Wales cider volumes fell almost 10 per cent in the third quarter, while net revenues were down 18 per cent.

In the six months to the end of last August, the England/Wales division's revenues fell more than 12 per cent to fall below the €100 million mark, while operating profits fell 37 per cent.

The company said in January that it was working on "a range of initiatives" to address the situation.

In Third Avenue's note to its clients, Mr Fine noted that Mr Neison and Stephen Glancey, C&C's chief executive, previously helped run and eventually helped to sell Scottish & Newcastle, which is now owned by Heineken and makes Strongbow cider.

> **"Morgan Stanley has increased its stake from below 3 per cent to 4.8 per cent**

Publication: Irish Times Business
Date: Wednesday, April 1, 2015
Page: 10
Extract: 1 of 1
Circulation: 76.882
Author: Bill Nowlan
Headline: Why investment in residential rentals is making a return

Why investment in residential rentals is making a return

The landscape has changed, and institutions now favour residential property again

Bill Nowlan

Investment in residential property in Ireland was abandoned by institutional investors in the 1970s because returns were inferior to those from commercial property.

Irish Life, for example, sold its significant residential holdings during that period and up to the 1990s as the returns from the sector were about 3 per cent lower than from its commercial portfolio, even after taking capital appreciation into account. The cause of that underperformance was that the owner-occupier sector was heavily subsidised by the State, with cash grants and tax reliefs. One researcher estimated that these subsidies – ones not available to the professional investor – accounted for 30 per cent of the price of a house.

The landscape has dramatically changed over the past decade with the withdrawal of mortgage tax relief and grants. The removal of this bias has not happened in Ireland alone, but is a worldwide phenomenon. It has resulted in institutions becoming investors again in the residential rental sector. Residential investment is now a standalone asset class, ranking alongside offices, retail, and so on.

Flotation and acquisition

We have an excellent example of that trend in Ireland, in the recent flotation of I-Res REIT plc and its acquisition of almost 2,000 residential rental units. Other institutional investors have also acquired significant residential portfolios in Dublin, including Kennedy Wilson, and overseas investors are looking at the sector.

Institutional investors are typically pension funds, life assurance companies and others who seek a safe long-term berth for their funds, usually based on yield rather than simple capital appreciation. But is institutional investment in residential property a good idea? Unquestionably yes. Not only does it provide a reliable supply of much-needed accommodation, but also the nature of the investment favours long-term, secure, stable tenancies. A balanced housing market requires a strong, viable private rented sector to provide choice and flexibility, and to provide a counterbalance to shortages, spikes and bubbles in other housing sectors.

At first look, however, the net income returns from residential property, at 4 to 5 per cent a year, still seem to be lower than those available on commercial property by at least 1 or 2 per cent. So why the renewed interest by professional investors? There are number of reasons.

First, residential rents rise over the long term in line with wages and salaries (and pension funds need to track wages), whereas commercial rents follow, and often lag behind, inflation.

Second, the demand for residential rental accommodation is growing significantly. The number of households renting privately in Ireland almost doubled between 2006 and 2011. Internationally, the growth in home rental can be attributed to many factors, including urban growth, the reversal of suburbanising trends, social changes (including smaller households), and less focus on ownership and more on flexibility and convenience. In general, the English-speaking world is becoming more "European" in its choice of rental housing.

The third reason for the renewed investment interest is that residential properties tend to physically depreciate less rapidly, with lower obsolescence. In well-managed portfolios, vacant properties are refurbished and relet in weeks, whereas a commercial property can take a year to refurbish and as long again to relet.

Disappearing landlords

In Ireland, it's probably just as well that institutions are showing a renewed interest in the private rental sector, as it is currently being abandoned by its former mainstay, the one-off small-time landlord. In Ireland, more than 80 per cent of landlords own either one or two properties. According to work carried out by Mark FitzGerald and his researchers at Sherry FitzGerald, the loss of buy-to-let homes in the private rental market in 2014 was around 12,000 homes, or 250 a week.

Moreover, it is clear that this loss of units is more prevalent in Dublin and in the lower price ranges. But it is in this sector that the State currently pays the rent on just under 100,000 units, and where it expects to find further supply. It is no wonder that rents are rising rapidly as available supply declines. This end of the market is of little interest to institutional investors, largely for management and location reasons. In other countries, state supports are in place to attract institutional investors into this sector, but none of these currently exist in Ireland.

Finally, a word of caution to the Government in regard to possible rent controls. The emerging interest in investment in the residential sector could be easily stifled if this is not approached correctly. I note that Minister for the Environment Alan Kelly was careful to describe his aim as "rent certainty", not rent control. There are sophisticated structures in place in other countries to soften the short-term impact of rapidly rising rents on tenants, and these should be considered as a way of doing this without dampening institutional demand.

Bill Nowlan is chairman of WK Nowlan Property and a director of Hibernia REIT Plc. The views expressed here are personal and are not those of either organisation.

> **The demand for residential rental accommodation is growing. The number of households renting privately in Ireland almost doubled from 2006 to 2011**

Publication: Connaught Telegraph
Date: Tuesday, March 31, 2015
Page: 5
Extract: 1 of 1
Circulation: 14661
Author:
Headline: Cancer biggest cause of insurance claims


Lisa dismayed by HSE's reply to 'cover up' query

Cancer biggest cause of insurance claims

IRELAND'S leading life assurance company, Irish Life, has revealed its annual claims data which shows that cancer was the biggest cause of life assurance and specified illness cover claims in Mayo in 2014, with more than €2.1 million paid out.

Cancer accounted for 19 of the 51 life asssurance claims paid in Mayo, while also accounting for 13 of the 26 claims for specified illness cover paid out.

Overall, Irish Life paid out €2.5m. for 51 deaths in Mayo and a further €1.6m. in 26 specified illness cover claims. The average age at death in Mayo in 2014 was 56 for life assurance claims and 47 for specified illness claimants.

Gerry Hassett, managing director, Irish Life's retail business, said: "The scale of claims shows it is crucially important for people to protect the financial wellbeing of themselves and their families."

Publication: Western People
Date: Monday, March 30, 2015
Page: 19
Extract: 1 of 1
Circulation: 15062
Author:
Headline: Claims show cancer biggest killer in Mayo

Claims show cancer biggest killer in Mayo

CANCER is the biggest killer in Mayo, according to life assurance claims data, ***writes Keith Bourke.***

The figures from Irish Life reveal that over €4.1m was paid out in Mayo in respect of 77 death and specified illness claims last year. Cancer was the biggest cause of claims in Mayo with €2.1m paid out in relation to deaths from the disease. Cancer accounted for 19 of the 51 Life Insurance claims paid in the county in 2014 and for 13 of the 26 specified illness cover claims paid. The average age of death in Mayo according to the data was 56 and 47 specified illness claimants.

Irish Life paid out a total of €218m in Life Insurance and specified illness cover claims last year.

"The scale of the claims paid in 2014 shows once again it is crucially important for people - parents in particular - to protect the financial well-being of themselves and their families. Our research has found that over 90 per cent of parents say that they would do anything to safeguard their family's future but less than half of them say that their family would have no financial worries, if anything actually happened to them," said Gerry Hassett of Irish Life.

Publication: Finn Valley Post
Date: Thursday, March 26, 2015
Page: 7
Extract: 1 of 1
Circulation: 3.000
Author:
Headline: Cancer was biggest cause of claims in Donegal in 2014

Cancer was biggest cause of claims in Donegal in 2014

IRELAND'S leading life assurance company, Irish Life, has revealed its annual claims data which shows that cancer was the biggest cause of Life Insurance and Specified Illness Cover claims in Donegal in 2014, with more than €1 million paid out.

The data details the illnesses and conditions that led to payments of over €218 million throughout Ireland, in Life Insurance and Specified Illness Cover claims in 2014, for over 2,500 claims.

Over €3.18 million was paid out in Donegal in respect of 55 death and Specified Illness Cover claims in 2014. The average age of death in Donegal for Life Insurance claims was 60 years and 54 for Specified Illness claimants

The figures show cancer accounted for 10 of the 30 Life Insurance claims paid last year in Donegal, while cancer also accounted for 12 of the 25 claims for Specified Illness Cover claims paid in the county.

Overall

Overall last year, Irish Life paid out €1.6 million for 30 deaths in Donegal and a further €1.6 million in respect of 25 Specified Illness Cover claims.

The average age at death in Donegal in 2014 was 60 for Life Insurance claims and 54 for Specified Illness Cover claimants.

Commenting on the data Gerry Hassett, Managing Director, Irish Life's Retail business said: "The scale of the claims paid in 2014 shows once again it is crucially important for people – parents in particular – to protect the financial well-being of themselves and their families. Our research has found that over 90% of parents say that they would do anything to safeguard their family's future but less than half of them say that their family would have no financial worries, if anything actually happened to them."

He added: "In 2014 we paid out on average over €4 million a week helping to ease the financial burden at a very difficult time for many families across Ireland."

*Leading Life Assurance company based on market share 2012-2014.

Publication: Letterkenny Post
Date: Thursday, March 26, 2015
Page: 7
Extract: 1 of 1
Circulation: 15.000
Author:
Headline: Cancer was biggest cause of claims in Donegal in 2014

Cancer was biggest cause of claims in Donegal in 2014

IRELAND'S leading life assurance company, Irish Life, has revealed its annual claims data which shows that cancer was the biggest cause of Life Insurance and Specified Illness Cover claims in Donegal in 2014, with more than €1 million paid out.

The data details the illnesses and conditions that led to payments of over €218 million throughout Ireland, in Life Irisurance and Specified Illness Cover claims in 2014, for over 2,500 claims.

Over €3.18 million was paid out in Donegal in respect of 55 death and Specified Illness Cover claims in 2014. The average age of death in Donegal for Life Insurance claims was 60 years and 54 for Specified Illness claimants

The figures show cancer accounted for 10 of the 30 Life Insurance claims paid last year in Donegal, while cancer also accounted for 12 of the 25 claims for Specified Illness Cover claims paid in the county.

Overall

Overall last year, Irish Life paid out €1.6 million for 30 deaths in Donegal and a further €1.6 million in respect of 25 Specified Illness Cover claims.

The average age at death in Donegal in 2014 was 60 for Life Insurance claims and 54 for Specified Illness Cover claimants.

Commenting on the data Gerry Hassett, Managing Director, Irish Life's Retail business said: "The scale of the claims paid in 2014 shows once again it is crucially important for people – parents in particular – to protect the financial well-being of themselves and their families. Our research has found that over 90% of parents say that they would do anything to safeguard their family's future but less than half of them say that their family would have no financial worries, if anything actually happened to them."

He added: "In 2014 we paid out on average over €4 million a week helping to ease the financial burden at a very difficult time for many families across Ireland."

*Leading Life Assurance company based on market share 2012-2014.