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## Phone firm to make waves at sea

***Three significant figures attracted financier Domhnal Slattery to his latest investment, writes Simon Carswell.***

There are 1.2 million seafarers around the world, working on more than 40,000 merchant ships and spending an average of \$130 each a month calling home. But they are not using their mobile phones as there is no phone network coverage at sea.

Financier Domhnal Slattery thought if he could install the right mobile technology on those ships, then he and his partners could make cash from seafarers using their own mobiles instead of the ship's satellite phone or waiting until they arrived into port to contact family and friends.

Slattery's latest venture, Blue Ocean Wireless, claims to offer the world's first GSM mobile phone network for merchant ships. If Blue Ocean equipment is installed on a vessel, seafarers can make and receive phone calls and send text messages from anywhere on their ships.

Using technology developed by Altobridge, a Tralee company in which Slattery's Dublin firm Claret Capital is a shareholder, the system is being launched on the Blue Star fleet. The fleet is owned by Maersk, one of the largest shipping companies in the world.

Claret owns 51 per cent of Blue Ocean, with the remaining shares held by Altobridge. The network works by Blue Ocean 'piggy-backing' on the network owned by Inmarsat, a London-quoted company that has 11 satellites providing mobile phone coverage around the globe.

"Seafarers are at sea for 75 per cent of the year and the only way they can call home is through the on-board Inmarsat ship phone," said Slattery. "Now they will be able to use their mobile phones on the ships. Anything that can be used to improve life on these ships will be embraced by the shipping companies."

Blue Ocean will be installing its technology on Maersk's Blue Star ships over the coming months. The company carried out trials on two ships over the past year to investigate how often seafarers used the system and how much they spent.

The average revenue per user known as ARPU, a key measurement in the mobile industry - was \$65 a month. Texting accounted for almost 90 per cent of the money spent by the crews, while there was an average of ten minutes of voice calls - four out of every five calls were received, rather than made.

BlueOcean sees a huge market in the business, according to Slattery. About 93 per cent of the 1.2 million commercial seafarers have mobile phones and up to 50 per cent of the seafarers are from the Philippines, which has a high level of mobile phone use. Ships' officers spend \$185 a month on personal communication.

"A guy on one of the ships sent 2,000 texts in a week when he was paying for the service during the trial," said Slattery. The company plans to sell pre-paid mobile cards to seafarers, charging \$1.25 a minute for phone calls and 75 cent for texts.

Since the terrorist attacks on the US on September 11, 2001, crews docking at US ports are not allowed to leave their ships and so are confined to making calls from the ship. In an industry that suffers from a high turnover of staff, Slattery believes an onboard mobile phone service will keep crews happier and help companies to retain staff.

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The technology will also enable companies to monitor containers around the world. Using the network, companies can track the temperature in containers and check whether they have been opened. This will allow them to detect whether goods have been lost en route and re-order them prior to their arrival, saving costs.

According to Slattery, about 3 per cent of the \$1 trillion worth of chilled food moved around the world in 2005 was lost in containers in transit. "On the high seas it is a black hole because there is no RFID [radio frequency identification]," said Slattery.

"The network will provide a service like Eircom Phonewatch - it will monitor the containers and determine who will be responsible for lost goods."

Claret Capital, which handles the investment portfolios for a number of high net worth Irish families, is stumping up \$20 million for Blue Ocean. As with Slattery's other ventures - such as the low-cost private taxi jet service, Jetbird - high net worth investors in Claret are investing in Blue Ocean. Slattery said that the company was worth about \$40 million and would employ ten people - and up to 40 people in three years' time - in an office in Dublin.

The company is sponsoring the attempt by English yachtsman Tony Bullimore to break the 71-day solo round-the-world sailing record held by Ellen MacArthur. Bullimore will start his circumnavigation from Tasmania in the coming weeks.

Slattery said he believed Blue Ocean, which will be used by Bullimore and is in use on a yacht owned by Russian billionaire and Chelsea Football Club owner Roman Abramovich, was "a transformational proposition" for the world's seafarers.

"It is a bit like being in prison as a seafarer," said Slattery. "Giving crews the ability to communicate home for the first time on their mobile is a key to their welfare."

### **Slattery's fortunes still flying high**

A native of Ennis, Co. Clare and a former executive at Tony Ryan's Guinness Peat Aviation, Domhnal Slattery made his fortune with International Aviation Management, an aviation leasing business.

He co-founded the firm in 1995 and sold the business to Royal Bank of Scotland in 2001 for a figure believed to be around stg£30 million. The business, now RBS Aviation Capital, is one of the largest commercial aircraft leasing companies in the world.

Slattery has set up an investment firm, Claret Capital, based near his home in Ballsbridge in Dublin and manages the finances of several wealthy individuals and families. It has made investments totalling more than €1 billion over the last 18 months.

Claret is backing Jetbird, a European air taxi service that is due to start flying its fleet of Embraer private jets in 2009.

It is also an investor in Riverdeep, the educational publishing firm run by Barry O'Callaghan and has a 25 per cent stake in Altobridge, a Kerry technology company.

Claret has also joined US investment bank Merrill Lynch in a number of international deals. Last year, it took a \$50 million (€38 million) stake in Hospital Corporation of America, the largest private hospital operator in the US, which was bought for \$33.5 billion in one of the biggest private equity deals of the year.

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Slattery's firm also got a small stake in the consortium that bought car hire firm Hertz last year. Claret is also an investor with Merrill Lynch in a new casino in Macau, west of Hong Kong. Claret is putting up \$360 million to invest in the Macau Fisherman's Wharf.

In Ireland, Claret is a shareholder in television station Channel 6, and an investor in the Clare People, which is challenging the county's long-standing regional newspaper, the Clare Champion.

Slattery was also a member of the Red South West consortium that bid for a radio licence in Munster.

He is a shareholder in Newgrange Pictures, which is making a film about the Kerry Babies controversy. The movie will be directed by Gerry Stembridge.