



## Wealth Creator Magazine – Nov/Dec 2007 Issue

### In His Words

“The most important thing is that I had parents who had really good values,” he says. You know, we didn’t get business lessons from Dad until we were older, so it wasn’t an all work and no fun environment. I’m lucky I had great parents with good values who gave all their kids a great start in life. Seeing your parents work certainly helps kids in forming their own value judgements, and I’m sure that was very helpful to me.” - Peter Holmes à Court

## Holding Court

**Peter Holmes à Court has come into his own during 2007. Finally stepping out of his father’s shadow, he speaks to Joanne McCulloch about his winning streak in football, finance and family.**

PINNING Peter Holmes à Court down for an interview is about as hard a slog as getting the South Sydney Rabbitohs into the premiership after an 18-year absence. When I first speak to the businessman - the son of Australia’s first billionaire - he has to cut the interview short, explaining that he’s got people waiting for him in his office.

We reschedule another chat later in the day. When we finally get in touch he’s only able to spare a few short minutes.

His frazzled personal assistant then schedules another interview, this time when he’s out at his family farm in country NSW. But even then our discussion is interrupted as he sees people in and out of his home.

But he can be forgiven. After all, it’s been a hell of a year for the 39-year-old entrepreneur - the eldest son of 1980s corporate raider Robert and businesswoman Janet. He has been thrust into the spotlight with his role with the Rabbitohs rugby league team and he has started doing deals through his newly established media and sports investment company, The Passionate Group. Oh, and then there’s the small matter of him trying to ban pokie machines in Australian football clubs.

“It has been a busy year,” Holmes à Court says. “I’ve been very fortunate. Between a hedge fund I started with a good friend of mine which went up 44 per cent, to a football team that made the finals for the first time in 18 years, to a bunch of other businesses I’ve been involved in, I feel very fortunate that things are growing very well.”

Certainly Holmes à Court's involvement with the Rabbitohs alongside friend and business partner Russel Crowe has been a key achievement of the year. Since purchasing a 75 per cent stake in the club for \$3m last year, the pair achieved the unimaginable by leading the club to a near premiership victory. They've also managed to help turn the club's fortunes around - hopefully eliminating debts estimated at around \$10m within the next couple of years. The fans are jubilant, claiming Holmes à Court's involvement has "done wonders for the club" and ended "18 years of agony". One Souths blogger described him as "an inspirational leader and a decent bloke". It is certainly a long way from the death threats he was said to have received when he first entered the Rabbitohs ring.

So has the son of one of the country's most successful businessmen finally proven himself in his own right? Well if he has, then doing so through sport has puzzled those who considered him a theatre and cattle man.

But for Holmes à Court, the move into football is not just about being passionate about the Souths - or about making money. For him it is part of a bigger picture scheme to improve the community, families and the Australian way of life.

"When I look back on the last year, the creation of South Care (government-backed community initiative) for the football club ranks up there with the club making the finals for the first time in 18 years," he says.

And this attitude no doubt inspired Homes à Court to take on the issue of gambling. Having seen the effects of "pokie" machines in Souths' clubhouses, he set about trying to have the machines banned in all clubs around the country. He took a very public stance and in doing so, whipped up a media frenzy and government-level debate that has raged for weeks.

Critics have scoffed at his suggestion, claiming there is no way football clubs can operate profitably without the revenue generated from the pokies. However, it's an issue Holmes à Court is clearly passionate about - and not one he's going to back down on any time soon.

"There's a social cost that comes from poker machines," he says. "What we're trying to do as a business and a football club is have a positive impact through our committees as well as put a first class football team on the field. And the two things are in conflict with one another.

"We couldn't be doing good things in the community and be taking money from the welfare cheques of addicted gamblers. We can't do that - it's not good for our business. Our business does better when our brand is seen as having credibility, when our position in the community is seen as being powerful and proactive. That's when we have strength and so we are trying to show our leadership and we believe the community will support us more for doing that."

It's certainly a laudable goal and one that has shown that Holmes à Court is not afraid to take on tough issues. His persistence with the Rabbitohs - despite a frosty welcome from die-hard fans when he and Crowe took over - has also earned him respect. He has been humble with the fans, describing himself as "just one of them". And there's no doubt that Holmes à Court's business expertise - built up after leaving home at 16 to study and make a mark for himself in the US - has had a positive impact on the club.

## MAKING HIS OWN MARK

So aside from the Rabbitohs, why is Holmes à Court, an Oxford University law graduate, so darn busy? He is also making a mark for himself as a successful entrepreneur in the finance arena. He is involved in a multitude of ventures under the umbrella of his private investment company, White Bull Holdings. His focus at the moment is on The Passionate Group - a company he set up this year to invest in fledgling media and sports businesses. It recently made its first investment - plunging \$1m into internet broadcaster Viocorp. Holmes à Court says there are similar deals on the horizon and that he aims to grow the business significantly in the next few years.

This complements his work with The Takeover Target Fund - a hedge fund he set up with long-time friend and investment banker Tom Elliot. The fund, which aims to buy and build companies that are 'at risk', has performed well in its first year and as a result, Peter has increased his investment. It is also seeded by partners of Melbourne-based hedge fund manager, MM&E Capital, which was co-founded by Elliot and has \$128.2m funds under management.

This move into takeovers and acquisitions is reminiscent of the Holmes à Court of late. Peter's father Robert, who died unexpectedly of a heart attack in 1990, was considered one of the world's most fierce corporate raiders during the 1980s. The South African-born businessman was also Australia's richest man before the stockmarket crash of 1987. Having built a business empire virtually from scratch, he was worth an estimated \$2bn at the peak of his success. Holmes à Court's flagship company, Bell Resources famously tabled a takeover bid for BHP in 1985 before it was blocked in a move that led to action by the corporate regulator.

When Robert died, many people tried to heap pressure on a then 21-year-old Peter to take over the family company, Heytesbury Holdings. However, Janet Holmes à Court told him to instead continue his studies and do what he wished. She subsequently took over the business and turned its fortunes around, earning great respect in the business community and an estimated personal fortune of \$180m.

Peter meanwhile took off to the US where he studied economics, theatre and law before launching his own New York production company, Back Row Productions, in 1992. While there were some flops, the company achieved international success with Tap Dogs. It was also at this time that he met his wife Divonne. The couple decided to return to Australia in 2000 and Holmes à Court served as chief executive of Australia's oldest agricultural firm, Australian Agricultural Company until 2004. Despite growing up with two business heavyweights as parents, Holmes à Court says he never felt pressure to follow in this father's footsteps.

And having chosen to do things his own way, he says another valuable lesson has been to make mistakes. He says he made several errors - particularly early in his entrepreneurial career - but they have all helped him make the right choices now. "It's a continuation of hard work - it's just taking lessons you've learnt in one business and keeping going. I was very fortunate that (Back Row) ended up doing very well out of that. Went through some tough times but ended up doing very well and that came from hard work and an attitude to just keep on going. It's a journey and that's the job - to learn from one experience and keep going."

As we bring the conversation to a close, Holmes à Court reveals another reason he's so time poor at the moment. He has two sets of twins - George and Robert and Elsa and Madison. "I make sure I make time for my kids," he says. "They are always the priority and I rarely work on weekends. So I'm really fortunate, it's amazing."