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HD **Packer chief eyes Asia's middle class**
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The new head of James Packer's \$6 **billion** investment empire says family-controlled businesses have more scope to tap into the growing Asian middle class because they are free from the short-term constraints of ordinary listed companies.

Robert Rankin, who announced over the weekend he will leave Deutsche Bank to run Mr Packer's private investment vehicle Consolidated Press Holdings, told The Australian Financial Review he was looking forward to working at an "entrepreneurial company" after a career advising high-profile corporate clients.

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"For whatever reason, I've tended to do well as a banker with the entrepreneurial companies. That's been my strong suit," he said. "[News Corp co-chairman] Rupert Murdoch is my business hero and I've been lucky enough to work for him. I've done a lot of work for [Hutchison Whampoa] chairman Mr Li Ka-Shing. And I've known James as a client and friend for years".

Mr Rankin rose through the ranks at Deutsche Bank where he was most recently the German institution's co-head of corporate banking and securities, based in London.

He will be "Asian-based" at the start of his newly created role in January, which will see him nominated for the boards of Mr Packer's Australian casino business, Crown Entertainment, and its Macau joint venture, Melco Crown.

A 50th birthday last year and the death of his father, Clem, at the end of March caused Mr Rankin "to reflect on a few things". "I've hoped and wished for a third act," he said.

"To be frank my only regret is I would have liked to have been working at Deutsche for another 12 months. But this opportunity is too unique." Expansion plans

CPH owns 50.01 per cent of Crown, as well as investments in companies such as US property website Zillow, Asian online job marketplace Zhaopin and RatPac Entertainment, a Hollywood film development and production finance **company**.

While Crown remains the core of Mr Packer's business empire, the **billionaire** spends much of his time outside his home base of Sydney. The Crown chairman has made no secret of the fact he wants to expand his business interests beyond Australia into markets such as the US.

Mr Rankin said the common theme across the portfolio of investments was a connection to the growing of a middle class in countries such as **China** and India.

"Asian middle class growth drives a number of things," he said.

"It drives luxury brands globally. It drives **iron ore** sales out of Australia. It drives tourism into Australia. It drives capital flows out of **China**."

He argued companies with strong proprietors were better placed to take advantage of this trend because they were able to take long-term decisions across different generations. Quarterly reporting, shorter time frames for institutional investors and focus on short- or medium-term incentives for some managers has led to accusations the listed market lacks patience.

"I think that the trade-off between transparency, governance and disclosure is a good thing but sometimes the decision making with broad-based-owned public companies can be too short term," Mr Rankin said.

He nominated Kerry Stokes's Caterpillar franchise, Mr Murdoch's Fox Star Studios in India and the rapid growth of Melco Crown since floating in 2006 as examples of proprietors making long-term decisions that have paid off. "It's no accident the best Australian businesses in Asia have been those family-controlled businesses."

Mr Rankin said he was not worried about working for a forceful personality such as Mr Packer. "The best of these entrepreneurs are pretty good listeners, which is different to saying they do exactly what you say and advise.

"But they do tend to be very curious and then make clear decisions. So I suppose what I'm saying is I understand the model, it is different, but I understand what I'm signing up for. Mistakes made

"I've seen James make longer-term big decisions on things such as traditional media and the internet and going into Macau and putting real dollars on the ground pretty early on. He's got most of the big decisions right. He's also made mistakes, but he's a person who speaks pretty openly about that."

The 51-year-old is not the first investment banking refugee at CPH. Mr Packer poached UBS leveraged finance veteran Steve Bennett in 2012 to move across as group treasurer.

Mr Rankin moved from Hong Kong to London in April 2012. Like many European banks, Deutsche has faced serious commercial and regulatory pressure since the global financial crisis, including being forced to pay billions of dollars in fines.

Germany's flagship bank struggled to make a profit last year and has faced criticism for maintaining its bonds, currencies and commodities at a time when many rivals are cutting back on this activity. Mr Rankin argues this criticism is misplaced, saying he "strongly believed" in the strategy Deutsche's co-chief executives Anshu Jain and Jürgen Fitschen have pursued. "I think Deutsche Bank is strategically very well positioned as the leading European-domiciled investment bank going forward," he said.

Deutsche's investment banking business accounted for €14 billion (\$20 billion) of the €32 billion in revenue Deutsche generated last year. Mr Rankin said managing a business this large put him in a good position with CPH. "What is banking? It is people. It is also processes, options and controls and stakeholder management.

"And that's how I've spent 80 per cent of my time in the past three years."

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