

Feared activist Elliott recruits City grandee Rake to burnish image

Elliott Advisors, the feared activist investor, is launching a bold attempt to soften its hostile reputation in British boardrooms by recruiting one of Britain's best-known boardroom grandees.

Sky News can reveal that Sir Mike Rake, the former chairman of London-listed companies including BT Group and easyJet, has agreed to join the investment firm's European arm as a senior advisor.

The appointment, which is said to have been finalised in the last few days, will see Sir Mike engaging with the boards of companies in which Elliott builds stakes on the firm's behalf.

A former president of the CBI and staunch Remainer during the Brexit referendum campaign, Sir Mike is one of Britain's most prominent businesspeople.

He has also served as chairman of KPMG's UK operations, and wrote an influential report about private equity ownership of UK companies.

Since stepping down as chairman of BT in 2017, he has taken on a number of roles at private companies, including at the Indian-headquartered ride-hailing app Ola.

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In 2021, he stepped down from the board of Huawei UK, the Chinese telecoms equipment manufacturer, amid controversy over its role in building Britain's 5G networks.

His appointment at Elliott represents an attempt by the activist investor to burnish its image in UK boardrooms, according to a person close to the firm.

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In recent years, it has built stakes in FTSE-350 companies including BHP, the mining giant, drugs giant GlaxoSmithKline, Hammerson, the shopping centre-owner, and Whitbread, the owner of Premier Inn hotels.

At most of them, it has either pushed publicly or behind the scenes for strategic or management changes, and has earned a reputation as one of the most aggressive activist funds in the world.

Elliott Management, the US-based parent, was founded in the 1970s by Paul Singer with just over \$1m under management.

It now manages close to \$55.7bn, and its London office is run by Mr Singer's son, Gordon.

Elliott is currently involved in discussions about the potential change of ownership at Manchester United Football Club, reportedly offering to finance the purchase of a minority stake held by some members of the controlling Glazer family.

Sources said Elliott had used external headhunters from Korn Ferry to recruit a senior adviser in the UK, and had considered a number of heavyweight businesspeople for the role.

Sir Mike will also be involved with Elliott's privately owned UK investments, which include the books retailers Waterstones and Barnes & Noble, according to an insider.

He is expected to be consulted on new investments being considered by Elliott as it seeks to grow its UK and European private equity investment portfolios.

Sir Mike joins other senior advisors to Elliott on the continent, who include Paolo Scaroni, a prominent industrialist who has been working with the firm for nearly a decade.

Mr Scaroni is chairman of AC Milan, which was until last year an Elliott private equity portfolio company.

Responding to an enquiry from Sky News, Sir Mike said through an Elliott spokesman: "I am delighted to have been appointed as an advisor to Elliott.

"I have always admired Elliott's track record and its commitment to constructive, engaged ownership in both the private and public markets.

"I look forward to working with the team."