



A trophy life, clockwise from right: Bernie and Slavica Ecclestone at the launch of their daughter Petra's menswear line, Form, at Harrods in October; a Falcon jet, one of five planes owned by Ecclestone; the Hotel Olden in Gstaad, which Ecclestone bought on a skiing trip; the Ecclestone yacht *Petara*



Fast and furious

Last week Slavica Ecclestone sparked off what looks set to be London's biggest ever divorce battle from her husband, veteran Formula One boss Bernie. But since much of his fortune is in the volcanic Croat's name, and she seems to be revving up for a fight, is billionaire Bernie heading for a blowout? **Mark Hollingsworth** gets the inside track on the duelling Ecclestons



Petra and Tamara Ecclestone at a premiere in London in July

Camera Press/James Peltekian. PA Photos. Goffphotos.com. Fan. Alpha

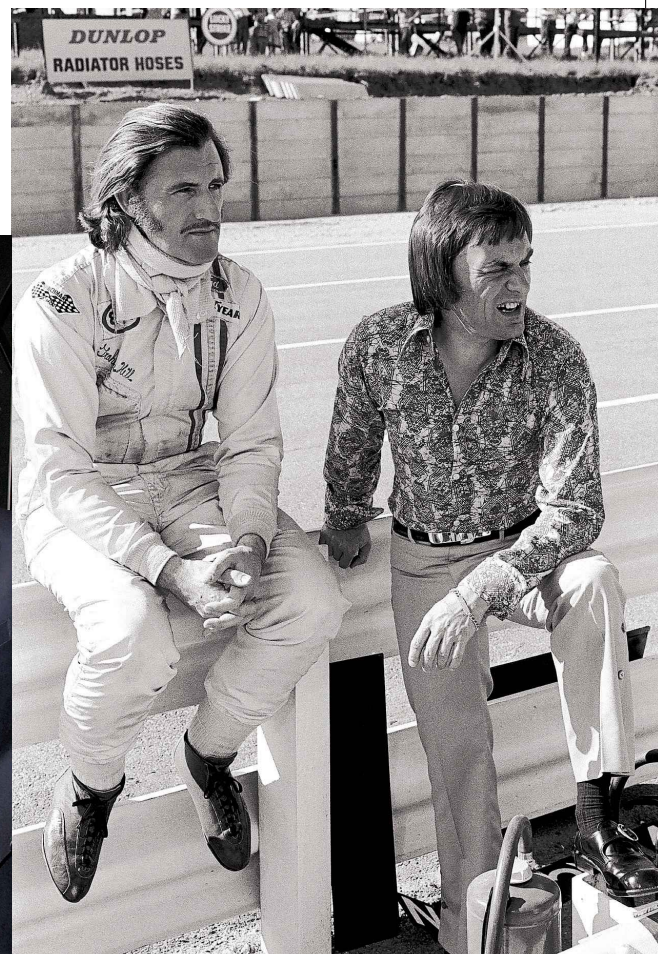
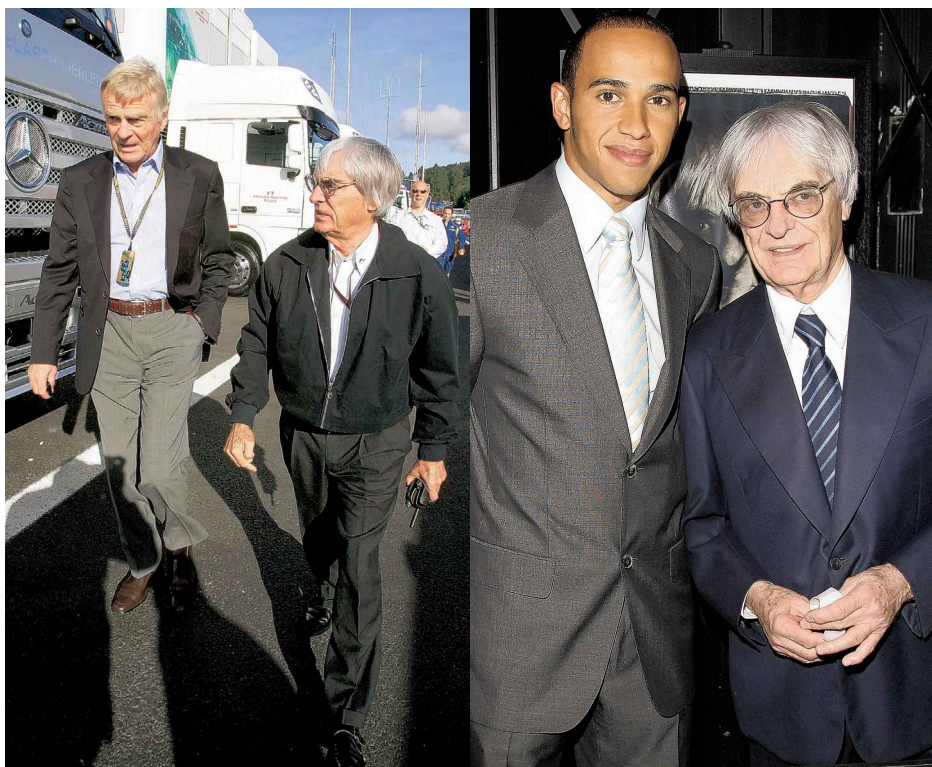
At every Grand Prix, set apart from the Formula One trucks, a silver trailer with tinted windows and airlock doors is parked at the most prominent part of the paddock. It is from inside this luxury bus that Bernie Ecclestone, the reclusive billionaire who runs Formula One, surveys his kingdom away from prying eyes and ears. From here, like a medieval monarch, Ecclestone conducts his business, receiving an endless stream of visitors. Some want favours. Others redress. Deals are done. Advice is given and sought. Very little is written down. A promise and a handshake are sufficient.

If you catch a rare glimpse of Ecclestone outside this air-conditioned inner sanctum, he is instantly recognisable. Barely 5ft 4in tall, with his trademark green-tinted glasses, he strides around the paddock making brief, curt comments into a mobile phone while carrying an attaché case stuffed with £50 notes and US dollars. Despite his neat, well-cut clothes, he has deep lines embedded on both sides of his face and speaks in a clipped South London accent. He has the air of the archetypal used-car salesman and looks out of place among the glamour and beautiful people of the circuit.

But inside Formula One, Ecclestone is admired, respected and feared. He is admired for building, virtually single-handedly, one of the world's richest and most successful sports. Grand Prix now resemble open-air rock concerts (only the World Cup and the Olympics are more profitable). He is respected for the power and control that he wields, personally promoting 14 of the 17 Grand Prix. And he is feared because of the air of menace and ruthlessness that surrounds him. Formula One officials are often scared of him. 'What, my friend, does "unscrupulous" mean?' he once said. 'I don't understand the word.' Known as 'Little Caesar' and 'The Godfather', he can be a generous and loyal friend, but is not a man to cross: 'If somebody does something bad to me, I will remember.' And yet he is capable of a disarming, if black, humour. 'I am not intending to die and I don't advise anyone to try to kill me unless they come well-equipped.'

Today the workaholic Ecclestone, 78, is sitting on a fortune of £2.4 billion and is Britain's 24th richest man. He is the ultimate deal-maker, but now he faces what could be the →

Fast friends, from left: Ecclestone with FIA president Max Mosley at the 2007 Belgian Grand Prix; with Lewis Hamilton in 2007; with Graham Hill at the South African Grand Prix in 1972



toughest negotiation of his life: the divorce settlement with his second wife Slavica, 50, the 6ft 2in Croatian former model, who has moved out of their family home on a Chelsea square and is staying in a flat owned by their daughter Petra's boyfriend. When first asked about the divorce, the Formula One boss produced an unconvincing denial: 'She has moved out because they are doing building work next door and it is impossible to live in the house. She can't stand the noise. I don't know if she wants a divorce or not.' When his wife released a statement of her intention to divorce him last week through her PR agency, Bernie responded: 'Really? I didn't even know she had a PR company.'

It will be one of the biggest settlements in British history because most of Ecclestone's assets are in his wife's name. She will be represented by Liz Vernon, of London-based firm Clintons, who made history by securing the wife of footballer Ray Parlour a ground-breaking payout. 'If much of the Ecclestone wealth is in Slavica's name or if she controls it, then in the event of divorce, the financial dynamic will be different from recent celebrity splits,' Jeremy Abraham, a divorce expert and family solicitor at Matthew Arnold & Baldwin, told ES. 'If Slavica feels that she is sufficiently familiar with Bernie's financial circumstances to be content merely to hang on to what is already in her name, he will be left to make the running. He may attempt to have the assets returned to him via the divorce court. Whether he ends up feeling short-changed because he decided to put assets beyond the

Revenue's reach and in Slavica's hands, remains to be seen. But Bernie may be in for a nasty shock when he asks various fund managers for his money back.' Another senior legal source added, 'It's massive. She's entitled to up to half of his wealth.'

Ecclestone's fortune is held in an offshore company in Jersey called Bambino Holdings which is ultimately owned by a trust in Switzerland. In 1996 he transferred the ownership of Bambino Holdings into his wife's name. 'I gave everything I had to Slavica,' he said in 2000. 'I sold the shares so there would be money for Slavica and the girls if anything happened to me. My wife is a terrible pessimist.' Slavica, a tough, highly strung woman who came from an impoverished family in Croatia, is non-domiciled in the UK for tax purposes. And the transfer of Ecclestone's control of Formula One to Jersey companies was 'the first step in a

'I knew that if I got kidnapped my wife would not pay to get me back'

complex tax avoidance scheme', according to *The Economist*. This is borne out by Slavica being a director of Petara Ltd between 1995 and 2006 – the same Jersey company which owned Formula One.

Fastidious and ascetic, Ecclestone has little time or interest in the trappings of wealth. He once bought a six-storey house on Prince's Gate, South Kensington, from arms dealer Adnan Khashoggi and promptly spent £2 million ridding the place of its marble-dominated opulence. And he hates holidays. During one skiing trip to Gstaad, he was so bored he

paid £4 million for the Hotel Olden and spent the rest of the holiday redesigning the property.

But his family have more than made up for his abstemious nature. They live in a vast townhouse in Chelsea and in 2006 Ecclestone bought a luxury apartment at the nearby Manresa complex for £6.8 million from Candy & Candy, the property developers. They owned a house in Sardinia until they sold it for fear of kidnapping. 'I knew that if I got kidnapped my wife would not pay to get me back,' Ecclestone joked. On the Continent they have retained the hotel in Gstaad.

The couple own a 198ft yacht called *Petara* – named like their holding company after their socially ambitious daughters Petra and Tamara – which was recently valued at £17 million. Slavica owns a horse called *Petara Bay*, for which she paid £357,000 in 2005 – it has raced in the King George V Stakes at Ascot. And the family own a fleet of private aircraft: two BAE 146 jets, two Learjets and a Falcon 2000, all based at Biggin Hill and ready to take off at half-an-hour's notice, plus a helicopter that collects Ecclestone seconds after every Grand Prix.

While Ecclestone remains oblivious to the attendant luxuries of his wealth, his two daughters are very conscious of the value of their name in the pursuit of fame and social acceptance. Tamara, an ebullient 24-year-old TV presenter and socialite, has a tiara with her initials inside 'because I am a princess' and collects diamonds. She abandoned a degree in psychology at the LSE 'because she could not relate to the other students' and then quit a job at Armani 'because it didn't pay enough'. On her 18th birthday her father bought her a news house in South Kensington, but she remained at the family home because her new pad →



Meet the Ecclestons, from left: Petra Ecclestone at the launch of her menswear label Form at Harrods in October; Petra, Bernie, Slavica and Tamara in Monte Carlo in 2007; Tamara reporting for Sky Sport at the Spanish Grand Prix in 2008

'is barely big enough for my jewellery, let alone 100 pairs of shoes'. She is currently pursuing a TV career and in 2007 set up her own company, Tam-E Ltd. She has appeared on Sky reality TV shows and on a pilot of *The Ecclestone Girls* with her sister Petra, which is based on the US show *The Simple Life* with Paris Hilton and Nicole Richie. Next month she will be launched as the 'brand ambassador' for Moussaieff Jewellers. 'We are absolutely thrilled to have Tamara as the face of Moussaieff,' Alisa Moussaieff told ES last week. 'There is no one who better represents the beauty and rarity of fine and exquisite jewellery than Tamara. She is an extremely beautiful woman and her international presence complements that of Moussaieff's perfectly. We are very excited.'

Her sister Petra, a 20-year-old increasingly slight model and fashion designer, is equally socially assertive. Blonde, impetuous and very much a party girl, she is fabulously outspoken. 'Prince William really has no personality,' she said last year. 'The guy is simply a waste of space. I could never be with a man who does nothing except look like a horse.' As she drives around town in a black BMW X3, she has been likened to a British version of Paris Hilton. She has been a model and glided down the catwalk for Julien Macdonald and Alberta Ferretti. And she has launched her own luxury clothing line for men, called Form, with the tailor Edward

Sexton. On the night of the launch of Form at Harrods, a proud Bernie shuffled about rearranging the displays, ignoring the other guests in order to make it just so. The sisters, who each receive an allowance of £100,000 a year, are bluntly open about their ambitions. 'Our era stands for consumption,' said Tamara. 'And our lives are all about brands and products.'

If *The Ecclestone Girls* is made into a reality TV show, it is all a long way from their father's humble origins. Born on 28 October 1930, Ecclestone was the son of a trawler skipper and spent his early years in rural Suffolk. During the war the family moved to Bexleyheath, Kent, where his father was an engineer, while his mother bought and sold antiques. Even at the age of 11, young Bernie was honing his entrepreneurial skills, doing deals with local kids and selling anything from fountain pens to bicycle spare parts.

But his passion was motorcycles and he was racing on the grass track of Brands Hatch before he could drive on the roads. In the Fifties he was buying and selling motorbikes and his showroom was famous for being pristinely clean. He switched to racing cars after several spectacular crashes.

A little-known fact about his early life is that he was married to a local girl, Ivy Bamford, for a couple of years until they drifted apart and divorced. After selling his motorcycle shops, Ecclestone acquired several car dealerships. It has long been speculated that his sudden wealth was derived from the Great Train Robbery in 1963. Over the years Ecclestone has treated the allegation with wry amusement, although he does admit

'Our era stands for consumption. Our lives are about brands and products'
Tamara Ecclestone

meeting the driver of the getaway car Roy 'The Weasel' James, a former racing driver, after the robbery. Introduced by the late Graham Hill, the former World Champion, Ecclestone hired James after his release from jail to make a trophy for the British Racing Drivers' Club as he was a silversmith. 'It's incredible really. Why would I want to rob a train with only £1 million on it?' he

joked to a newspaper. 'That's not even enough to pay one driver. I suppose it does not do any harm people thinking things like that.'

But in private Ecclestone was more irritated about being linked to Britain's most famous armed robbery. 'This is what happened,' he told a friend. 'Graham Hill knew Roy James, who drove the getaway car, and when he was in prison Roy wrote to Graham. I bought Brabham [the Formula One team, in 1971] when Graham drove for us and when Roy James came out of prison he asked if he could drive for us. I told him, "Look, you are wasting your time because you have not been tested for 20 years." He went to Brands Hatch and was told to forget about driving. But he [Roy James] was a very good goldsmith and silversmith. He said to me that he did not have any money, so he made a trophy for us.'

By the Sixties, Ecclestone's quick-buck style of car dealing took shape. Deals were not about signatures but a handshake and a wad of cash. His success was based on a razor-sharp mind, a forensic eye for detail and a memory for figures like a calculating machine. 'He didn't just buy and sell cars, he did swap-ups,' said Max Mosley, an ally for 35 years and president of Formula One's governing

Camera Press/James Pellekian, Alpha, Action Images

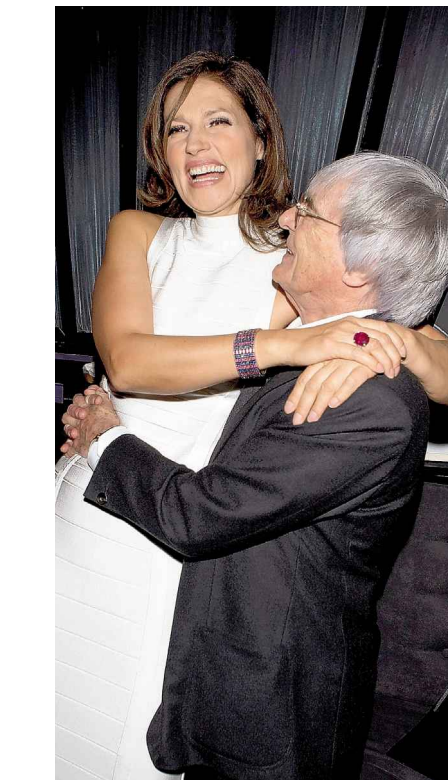
body, who Bernie has stood by during his recent orgy scandal. 'You would swap your three cars plus an amount of money for his four cars, so it would get complicated. But he could walk into a showroom full of cars and value them in seconds. It was like being the fastest gun in the West: car dealers came from all over the world to have a deal-up with Bernie to see if they could put one over him.'

Shadowed by a bodyguard, it was very much a cash business and it was not long before the Inland Revenue took an interest. After selling his motorcycle company, Ecclestone kept £10,000 which should have gone to the taxman, according to *The Economist*. When the Revenue sued him, the judge described his commercial machinery as 'altogether extraordinary' and ruled that he had breached company law. In 1971 he was ordered to pay £10,000 to the Inland Revenue. Unusually for someone who never shirked from a fight, he refused to appear as a witness in court. He has always maintained that it was the company set up by his accountants that avoided the tax and nothing to do with him personally.

In the Seventies, Ecclestone was the owner of Brabham and saw an opportunity. At the time, each Formula One team manager negotiated his team's financial terms separately. Ecclestone offered to negotiate on their behalf for a two per cent commission fee. Harassed and busy managers, mostly former engineers and drivers, were happy to be relieved of this tedious task and gave the Brabham boss the authority to represent their interests. Soon the distribution of all the revenue was controlled by Ecclestone, who had foreseen the lucrative rights to televise the Grand Prix races.

As Formula One became increasingly glamorous, the TV revenues flowed in and Ecclestone was now a wealthy man. But racing and doing his deals, rather than making money, were his passion. He lived a frugal life. He barely drank, ate only when he really needed to and never went to any of the lavish parties on the circuit. He lived in a modest flat in Dulwich with a beautiful Oriental girl called Dora Tan. They were together until 1978. He then moved into a penthouse apartment overlooking the Thames, but soon sold it to Jeffrey Archer (the two remained firm friends).

Ecclestone's world changed in 1984 when he met Slavica, a statuesque 26-year-old Croatian model. She was modelling T-shirts at the Italian Grand Prix and the Formula One boss was captivated by this exotic creature whose father was a fireman and mother sold fruit and vegetables. She grew up 'always worried about money'. But she was blessed with a stunning figure. As well as modelling for Armani, she posed for less than reputable publications which she later regretted. In *Start* magazine, the Croatian version of *Playboy*, she posed naked in the shower, and she also posed topless while sucking provocatively on her fingers. 'I did some stupid things,' she reflected. 'You know how it goes. You are in the photographer's studio and he



Bernie's wives, left: Slavica and Bernie Ecclestone at the Great Ormond Street F1 fundraiser in July. Below: Bernie with his first wife Ivy Bamford in the Fifties



Slavica grabbed Bernie's hair and knocked his head on the driver's window

says, 'Can you just undo that button.' But I needed the money.'

Smitten by her flamboyant personality and sex appeal, Ecclestone soon proposed. By the mid-Nineties he was at the height of his success. Formula One was awash with money. One sponsor alone, tobacco giant Philip Morris, was paying £60 million to have its brand blazoned across the cars. Ecclestone took 23 per cent of the proceeds and in 1995 his annual salary was a staggering £29.4 million. He then restructured the business in a web of offshore companies and accounts. In court documents, one Formula One accountant disclosed that he looked after 170 bank accounts worldwide.

By 2001 Ecclestone was a billionaire and was able to buy a huge house on Kensington Palace Gardens for £65 million. But his wife changed her mind about the property and they did not even move in. In 2004 he sold the house at a loss to Lakshmi Mittal for £57.1 million.

But as his fortune garnered publicity, Ecclestone

received some unwelcome attention from criminals, notably a break-in at his South Kensington office in which three computers were stolen. Then in 1996 the billionaire and his wife were attacked just outside their house in Chelsea. Two masked thugs tore a £600,000 diamond ring from Slavica's finger. Bernie suffered a fractured cheekbone trying to fight them off and was left bleeding on the ground.

Ecclestone's response was typically unorthodox. He hired John O'Connor, former head of Scotland Yard's Flying Squad, to investigate the mugging privately. Via contacts in the amateur boxing world, O'Connor discovered that two young boxers were the most likely culprits. There was no evidence to arrest or charge them. But the Formula One boss wanted the former detective to give him their names 'on the quiet' rather than to the police. O'Connor refused.

Ecclestone's Formula One group is currently owned – via UK companies – by Alpha DL, which in turn is owned Delta Topco Ltd, a Jersey company. The shares of Delta are owned by eight entities: five are Cayman Island-based investment funds run by the private equity fund CVC, which has a 70 per cent stake. The remaining shares are held by Bambino Holdings, the Ecclestone family trust; Churchill Capital, an advisor to CVC; and Ecclestone has a small holding in his own name. He also jointly owns Queens Park Rangers FC with Flavio Briatore and Lakshmi Mittal.

While his control of Formula One remains secure, his marriage has been in decline for some years. Slavica has become increasingly neurotic and has developed a temper of volcanic proportions. Bernie has always been almost obsessively tidy and this drives his wife crazy. According to John Keterman, the former fiancé of Tamara, she verbally abuses Ecclestone. 'Slavica would scream at Bernie over the smallest things,' he said. 'Even correcting the angle of a picture seemed to annoy her.' On another occasion she screamed expletives at her husband because she claimed that he was driving too fast. 'She grabbed his hair,' recalled Keterman, 'and knocked his head on the driver's window.'

Perhaps the constant verbal abuse at home has got to Ecclestone. He made a rare error recently when he dismissed the racial abuse of Lewis Hamilton when he secured the World Championship. And now he faces the prospect of losing the fortune that he has so astutely accumulated and worked so hard to preserve.

But he has always been a dealer and a gambler and has always come out on top. 'Bernie used to play backgammon and he would use the doubling dice to his advantage,' says a friend. 'He won as much because his competitors could not afford to accept the doubled stake as he did by skill. It's a power thing and it gave him a lot of pleasure.' But Slavica is a formidable opponent and this time the stakes will be a lot higher than backgammon. ■