

# Vodafone executive pays raise eyebrows

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It's been a tumultuous few months at the world's biggest mobile phone group, as Vodafone executives dealt with a very public dispute amongst themselves earlier this year, while the company embarked on a considerable corporate restructuring program. Meanwhile, investors have been disappointed with Vodafone's most recent lackluster earnings.

After all, it had posted a \$27.9 billion loss in the latest fiscal year ended this March, its biggest annual loss to date. Granted, Vodafone said that part of the record loss was due to some unexpected one-off costs including revaluing its German business Mannesmann, and it pointed out that it would slash about 400 jobs in order to cut costs.

Still, such dismal financial performance coupled with the bitter boardroom rows that have made shareholders seriously question the

company's future direction hardly seem like reasons for its top brass to pat themselves on the back, let alone celebrate with cake. Yet that apparently is what it has been doing, as the British carrier revealed Thursday that its top brass was being paid out record sums in bonus payments and other financial rewards in the latest fiscal year. Chief Executive Arun Sarin reportedly raked in up to \$10.3 million (5.6 million pounds) in salary and bonuses in the latest fiscal year. Sarin's base salary increased by 9 percent from the previous year to \$5.02 million (2.73 million pounds), while he also received performance shares worth up to \$4.58 million (2.49 million pounds), among other benefits.

Meanwhile, Ian MacLaurin will be getting \$938,000 (510,000 pounds) in addition to his base salary this year, even though he will be stepping down as chairman of the company at its annual shareholders' meeting next month, and he will remain on the payroll to pocket \$230,000 (125,000 pounds) for the next three years as an official adviser to the group. He will also be keeping his office in one of the toniest areas of London as well as his driver and secretary.

MacLaurin's successor, John Bond, meanwhile, will not be taking in as much, as his base salary has been set at \$874,000 (475,000 pounds.)

At the same time, the company disclosed that it will be paying \$1.84 million (1 million pounds) to pay off Sam Ginn, a U.S. national and former head of AirTouch who had been appointed adviser to Sarin. Ginn had initially been put into the position in 2000 under a 10-year, \$368,000 (200,000 pound) contract.

Still, the hefty paychecks for the leaders of the company are particularly worrisome at a time when Vodafone itself is cautioning investors of tough times ahead. The company has lowered its earnings-per-share growth targets for the next three years to 16 percent, down 8 percentage points from its earlier forecast as it anticipates growth in the European

markets in particular to be competitive.

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