Microsoft CEO Ballmer pay slips 4 pct to $1.3M

The Associated Press

Microsoft Corp. CEO Steve Ballmer's pay package fell 4 percent after his bonus was trimmed, partly due to slower-than-planned progress in the software company's online business and a drop in revenue at its Windows division.

Ballmer's pay dropped to $1.3 million from $1.4 million in Microsoft's latest fiscal year through June, according to an Associated Press review of a securities filing made Tuesday.

Ballmer, 56, got a performance-related bonus of $620,000, down from $682,500. His salary was little changed at $685,000.

All other compensation, which included company contributions to a 401(k) retirement plan, rose 10 percent to $13,128.

Ballmer voluntarily did not receive any stock awards, the same as a year ago.

His bonus was 91 percent of the target. Some factors considered by the board included a 3 percent decline in revenue for the Windows division and "slower than planned progress" at Microsoft's online services division, which includes the Bing search engine.

The board also noted the Windows division's failure to provide a browser-choice screen on some PCs in Europe as required by a 2009 deal with the European Commission, the European Union's executive body. Microsoft had agreed to offer European users a choice of rival Web software and in return, the commission dropped antitrust charges against the company.

In July, however, the commission said it was opening an investigation into whether Microsoft had kept the commitments made in the deal, and warned that penalties for non-compliance would be "severe." Microsoft cited a "technical error" for the lack of a browser-choice screen on some PCs, apologized and said it was taking steps to remedy the problem.

On the plus side, the board noted that Microsoft generated $31.6 billion in cash flow from operations, an increase of 17 percent over the prior fiscal year.

Microsoft plans to roll out its latest operating system, Windows 8, later this month. It is also preparing to launch a tablet made to run on its touch-enabled operating system, Surface.

Ballmer's pay is far below CEOs at peer companies included in the Dow Jones industrial average and other technology companies, the filing said.

But it noted his personal wealth is tied directly to Microsoft's value. The filing said Ballmer owns 333.3 million shares. As of Tuesday's closing stock price, the stake is worth $9.76 billion.

Steven Sinofsky, president of Windows, was the other executive who did not receive all of his target bonus. Sinofsky's bonus was $7.65 million, which was 90 percent of the target. His performance review also included mention of the oversight in Europe and the decline in Windows division revenue.

Sinofsky's pay package still rose 19 percent to $8.6 million from $7.2 million a year ago. His salary grew 1 percent to $658,333, while his bonus grew 21 percent to $1.5 million and the value of stock awards were 21 percent greater than a year ago, calculated at $6.4 million.

The Associated Press' calculation isolates the value the company's board placed on the executive's total compensation package in the last fiscal year. It includes salary, bonus, performance-related bonuses, perks, above-market returns on deferred compensation and the estimated value of stock options and awards granted.

The calculation doesn't include changes in the present value of pension benefits. And they sometimes differ from the totals that companies list in the summary compensation table of proxy statements filed with the Securities and Exchange Commission. The statements to the SEC reflect accounting charges taken for the executive's compensation in the previous fiscal year.

Source URL (retrieved on *12/11/2013 - 11:22am*):
http://www.ecnmag.com/news/2012/10/microsoft-ceo-ballmer-pay-slips-4-pct-13m?qt-most_popular=0