

Zynga gives new CEO millions to leave Microsoft

The Associated Press

Struggling Web game maker Zynga gave new CEO Don Mattrick a \$5 million signing bonus and stock awards valued at \$40 million to lure him away from his previous job overseeing Microsoft's Xbox console for video games.

Mattrick's compensation package also includes a \$1 million annual salary and a guaranteed bonus of about \$1 million this year, according to a regulatory filing made late Wednesday. Zynga Inc. announced Mattrick would replace company co-founder Mark Pincus as CEO earlier this week, but didn't detail how much its new leader would be paid at that time.

Zynga is counting on Mattrick, 49, to reverse a steady string of losses that has caused the company's stock price to plunge 66 percent from its initial public offering price of \$10 in late 2011.

The stock closed at \$3.42 Wednesday. That price is nearly 20 percent higher than where the stock stood before the news broke about Mattrick's defection from Microsoft Corp., a sign that at least some investors think he can revive Zynga.

As Mattrick draws up the turnaround strategy, he will still be working closely with Pincus, who holds a controlling stake in Zynga and will remain the San Francisco company's chairman and chief product officer.

As with many CEOs, Mattrick's pay package could be worth a lot more or less, depending on how his company's stock fares in the next few years.

Mattrick secured his lucrative deal with Zynga just a few weeks after the company laid off more than 500 employees, or nearly one-fifth of its payroll, to save money.

Zynga, the maker of once-popular games such as "Farmville," gave Mattrick 8.9 million shares of restricted stock initially valued at \$25 million to make up for the some of the compensation he surrendered by leaving Microsoft. Those shares are already worth slightly more on paper, but they won't vest until July 2016, according to Zynga's regulatory filing.

Microsoft, which is based in Redmond, Wash., didn't disclose Mattrick's compensation in its most recent breakdown of its top-paid executives.

As an additional enticement, Zynga is giving Mattrick another 1.8 million shares of its restricted stock valued at \$5 million. Mattrick also gets 7.36 million stock options valued at \$10 million.

Zynga promised to enrich Mattrick even further next year with another batch of restricted stock valued at \$7 million and a cash bonus ranging from \$2 million to \$4

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