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Issued on behalf of Incomes Data Services (IDS) by Mattison Public Relations

## Boardroom bonuses bounce back

- Bonuses for FTSE 100 directors up 22.5%
- Overall boardroom salaries up 5.1% across the board
  - But bonuses in AIM companies fall

Bonus payments for top UK listed company directors are on the rise again, with bonuses jumping for a matched group of FTSE 100 directors increasing by an average 22.5% in the last six months<sup>1</sup> according to research by Incomes Data Services (IDS).

So far this results season FTSE 100 directors have seen their annual bonuses increase from an average £456,418 to £558,918. This is a dramatic recovery from last year's bonuses for FTSE 100 directors where they fell by an average of 30%.

Basic salaries of FTSE 100 directors are also the march again, rising by 7% on the previous year, while salaries for directors of all listed companies rose by an average of 5.1%.

IDS say that whilst the 5.1% rise is modest compared to pay rises granted to directors in previous years it is a faster increase than that of the workforce as a whole.

Steve Tatton, editor of the IDS's *Executive Compensation Review 2010*, (ECR) comments:

“It appears that all the signs are that after a period of relative austerity the good times have returned to UK boardrooms.”

Steve Tatton added:

“While not all UK listed companies have yet published their annual reports and the final picture is yet to emerge, the trend seems clear. On the back of a wave of incentive redesigns and recalibrations, coupled with the first signs of economic recovery, all the signs are that boardroom bonuses are recovering at a much faster pace than anticipated.”

IDS further explains that the trend has been for the directors of larger companies to see their total cash (salary and bonus) rise at a far faster rate than for smaller companies:

- FTSE-100 directors saw their total cash payments increased by an average of 23.4%
- Mid-250 directors saw their total cash payments increased by an average of 8%
- Small Cap directors saw their total cash payments increased by an average of 5.3%
- AIM directors saw their total cash payments **fall** by an average of 0.8%

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<sup>1</sup> Six months to January 2010.

## Smaller companies pay packages stall

Steve Tatton comments: “Smaller companies are traditionally hit harder by a recession, so that may explain why the bonuses of directors of these companies are taking longer to recover than those of FTSE 100 companies.”

### **Average pay increases and bonuses of listed company directors\* by market July 2009 to January 2010 (Source ECR)**

	FTSE 100	Mid 250	Small Cap	AIM
Salary increase 09/10	7%	2.5%	1.3%	6.5%
Total increase in cash (salary and bonus) % 09/10	23.4%	8%	5.3%	-0.8%
Total Bonus 2008/09 (£)	£456,418	£391,271	£103,106	£63,203
Total Bonus 2009/10 (£)	£558,918	£391,327	£112,464	£35,876
*Data based on matched group of 237 directors who have been in post for two full years drawn from 180 listed firms				

**ENDS**

### **Note to editors:**

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