



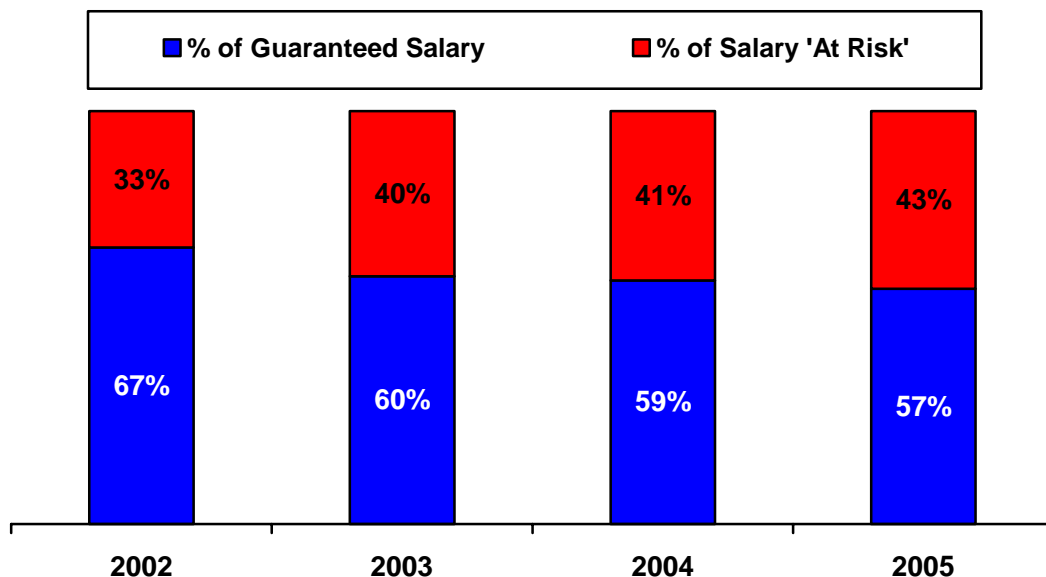
NEWS RELEASE:

REDUCED EMPHASIS ON GUARANTEED PAY FOR AUSTRALIAN CEO'S

Friday 5th August 2005: New research conducted by CSI – The Remuneration Specialists reveals the decreasing reliance on guaranteed remuneration and the increasing incidence of 'at risk' pay within salary packages for Australian CEO's.

CSI's *July 2005 Australian Top Executive Remuneration Report*, a survey of 2,838 individual executives from 455 Australian organisations, indicates that the typical salary package for an Australian CEO consists of 57 per cent of fixed salary (base pay + benefits) and the remainder, 43 per cent, in short and long term incentives (or 'at risk' pay).

The prevalence of guaranteed pay within CEO salary packages has been declining over the past three years, whilst the emphasis placed on 'at risk' pay has been growing. The graph below shows this trend:



“The trend here is clear,” remarked Ms Jean Williams, CSi’s Practice Lead.

“Since 2002 we have seen an increasing reliance on pay ‘at-risk’ within Australian CEO salary packages.”

The 2005 figures contrast with the typical structure of CEO salary packages in the US, which generally consist of 34 per cent of fixed salary (including benefits) and 66 per cent in long and short term incentives.

“Even though the typical CEO salary packaging structure in the US is widely acknowledged as the most appropriate model, we are not yet seeing Australian CEO salary packages structured in quite the same manner,” said Ms Williams.

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Note:

CSi’s Australian Top Executive Remuneration Report

This report includes information from 2,838 top executives from 455 Australian organisations across a broad range of industry sectors including computer, hi-tech, manufacturing, banking, finance, insurance, agriculture and energy, wholesale, retail, service, life science, and telecommunications. It provides detailed market intelligence to businesses on market remuneration rates for key executive job roles in the Australian market, as well as a comprehensive analysis of trends in executive pay.

CSi – The Remuneration Specialists

CSi is a specialist remuneration consultancy that provides advice to assist organisations with strategic and operational remuneration activities. With a reputation for excellence and integrity, CSi assists organisations with setting remuneration strategy, designing remuneration policies, sourcing and utilising market remuneration data, and providing training in remuneration management theory and practice.

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